

PERSI INVESTMENT REPORT

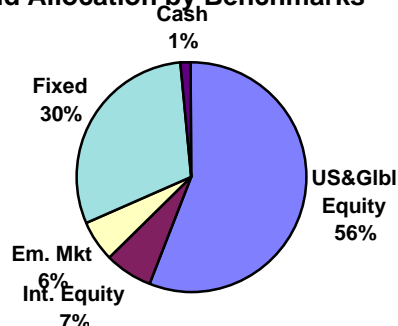
Month to Date Report

October 31, 2008

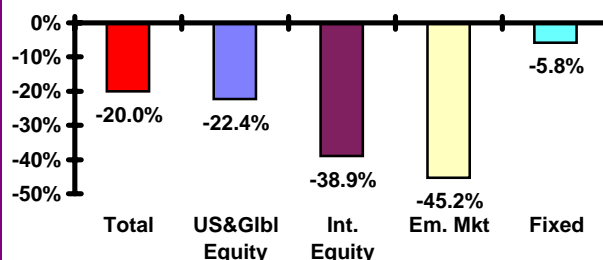
CURRENT VALUE OF THE FUND	\$	8,703,160,601
FISCAL YEAR CHANGE IN MARKET VALUE	\$	(2,208,565,272)
FISCAL YEAR TO DATE RETURNS		-20.0%
MONTH TO DATE RETURNS		-12.4%

<u>Month Returns</u>		<u>Fiscal Year Returns</u>		<u>Five Year Returns</u>	
Total Fund	-12.4%	Total Fund	-20.0%	Total Fund	4.5%
55-15-30 Policy	-13.5%	55-15-30 Policy	-20.0%	55-15-30 Policy	2.0%
U.S Equity	-11.0%	U.S Equity	-14.0%	U.S Equity	5.4%
R3000	-17.7%	R3000	-24.9%	R3000	0.5%
Global Equity	-21.4%	Global Equity	-36.0%	Global Equity	1.5%
MSCI World	-19.1%	MSCI World	-31.3%	MSCI World	2.2%
Foreign Equity	-21.9%	Foreign Equity	-38.9%	Foreign Equity	5.8%
MSCI EAFE	-20.2%	MSCI EAFE	-36.6%	MSCI EAFE	4.0%
Fixed Income	-4.3%	Fixed Income	-5.8%	Fixed Income	3.6%
Leh Agg	-2.4%	Leh Agg	-2.8%	Leh Agg	3.8%

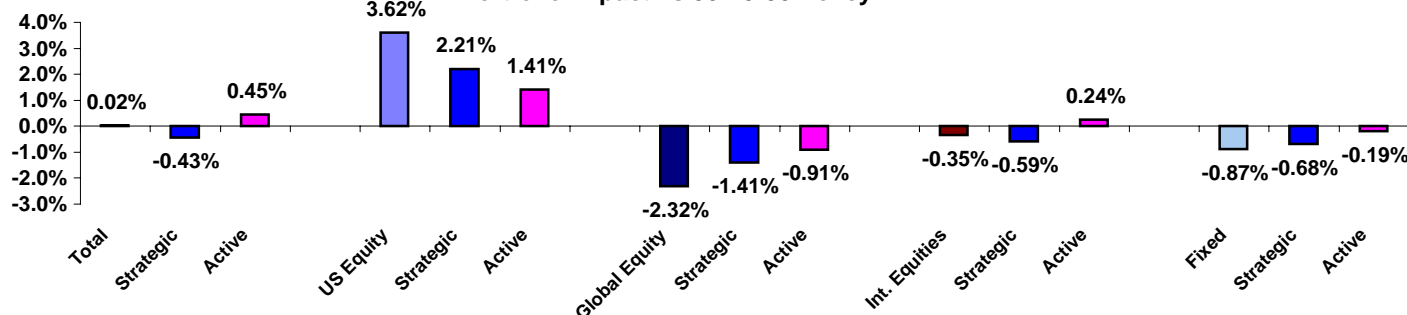
Fund Allocation by Benchmarks



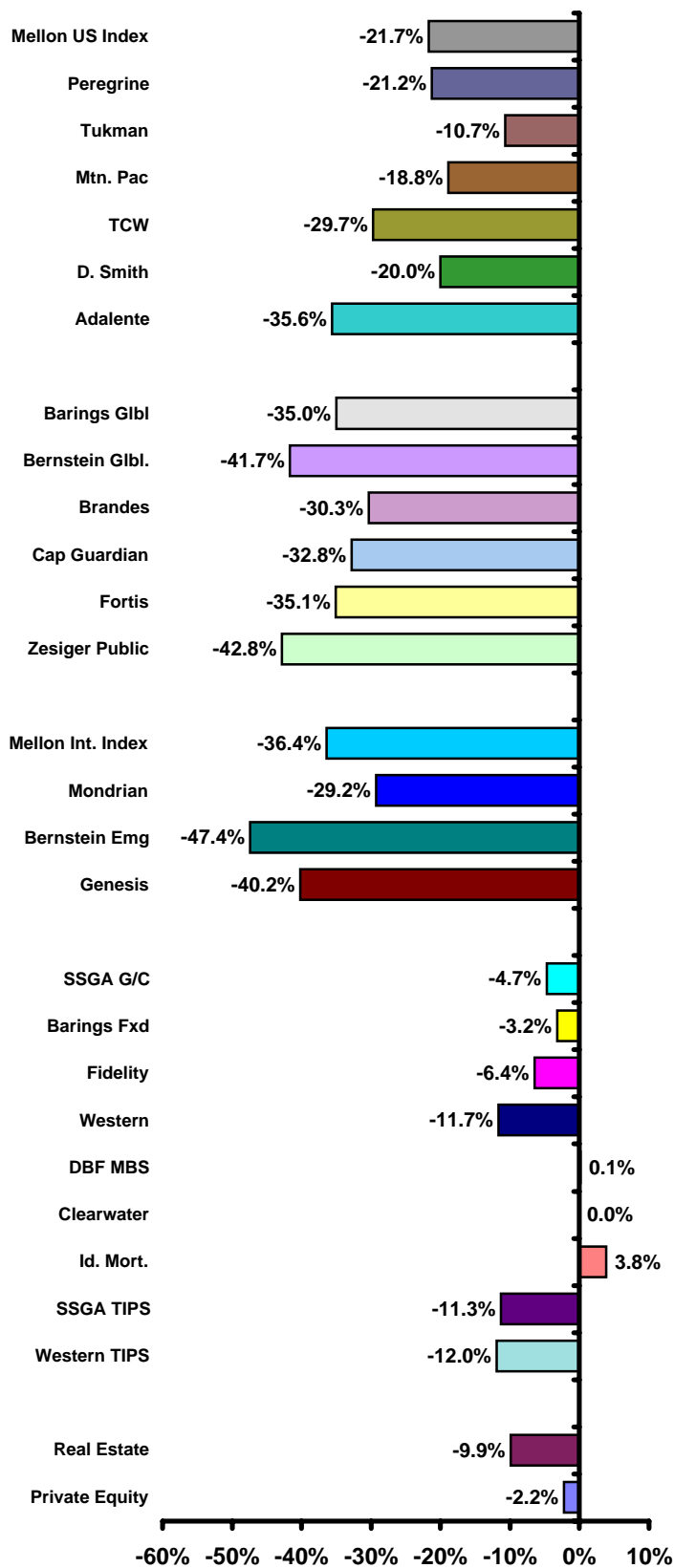
Fiscal Year To Date - Total Returns



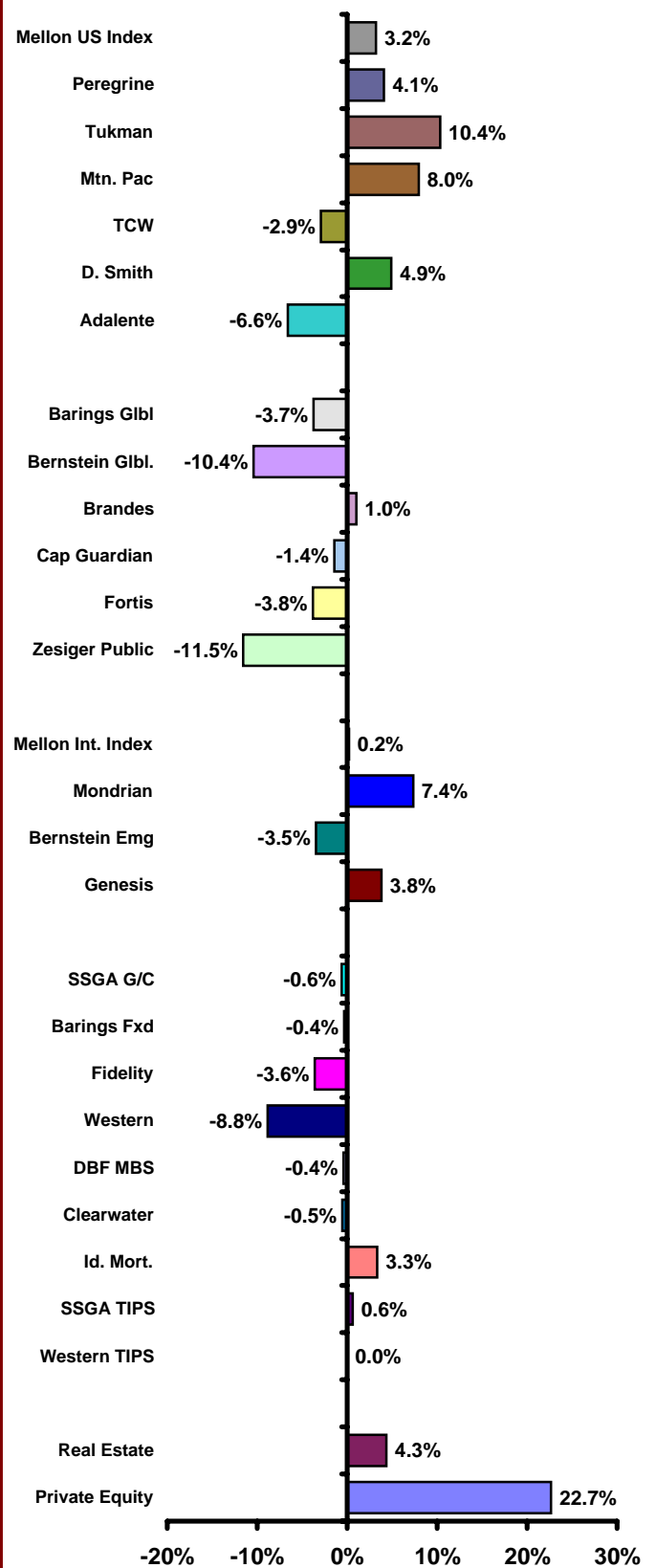
Portfolio Impact vs 55-15-30 Policy - FYTD



Fiscal Year to Date Returns



FYTD Returns vs. Benchmarks



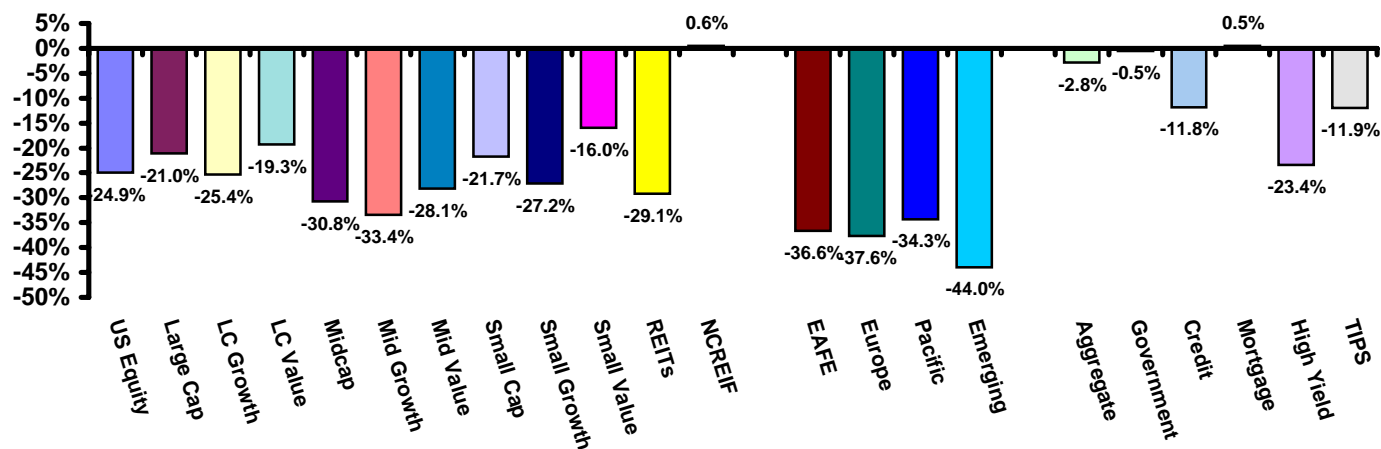
CIO Comment

October was a historic month, and not in the good sense. The Lehman bankruptcy began what only can be called a complete market collapse around the world, with credit markets freezing and equity markets falling off a cliff. There are both short and long term concerns -- from short term liquidity and credit issues, to long term economic worries. Recently, the markets have gone from pricing in a recession, to expected depression level activity. Oil and commodities have dropped in concert. Concerted and massive global government intervention may have halted the collapse, but the depth of the impact on the world economy remains to be seen.

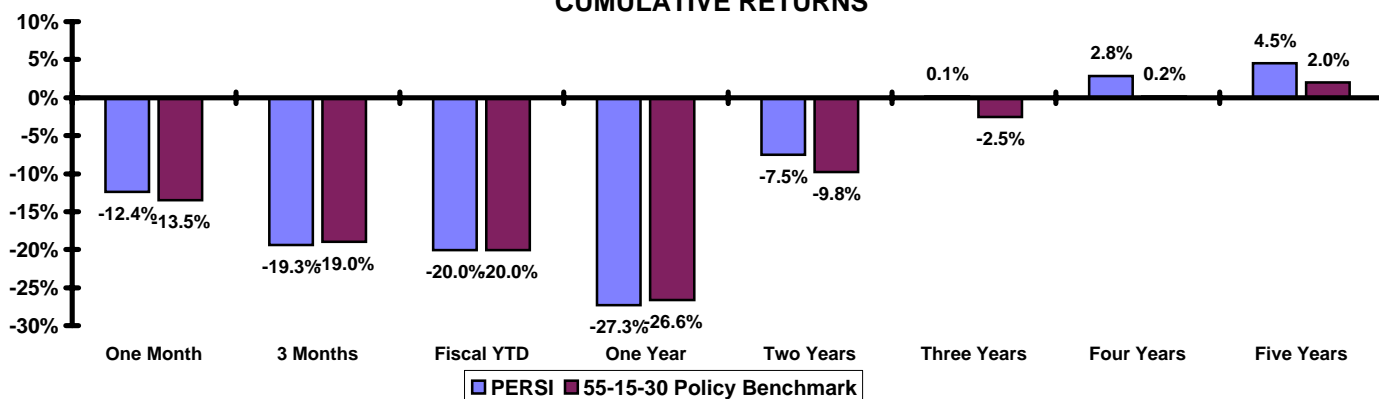
US equity markets were down -18% for the month and -25% for the fiscal year to date, while international and emerging markets have dropped even more. The total fund for the month was down -12.4%, its worst month in over 20 years, and for the fiscal year is down -20.0%, at \$8.7 billion. Tukman, Mountain Pacific, Peregrine Mondrian, and Donald Smith, although losing money, have very strong relative returns. The worst absolute return is from Bernstein Emerging, and the worst relative performance is from Bernstein Global and Zesiger.. Western fixed income is still struggling.

The fund is even with the strategic benchmark (55% US equity (Russell 3000), 15% international equity (EAFE), and 30% investment grade fixed income (Lehman Aggregate)). As opposed to previous months, active US equity management and private assets are adding substantially to returns, but have been offset by the weight to international markets embedded in the global equity mandates, the emerging markets bias, and the underperformance of TIPS.

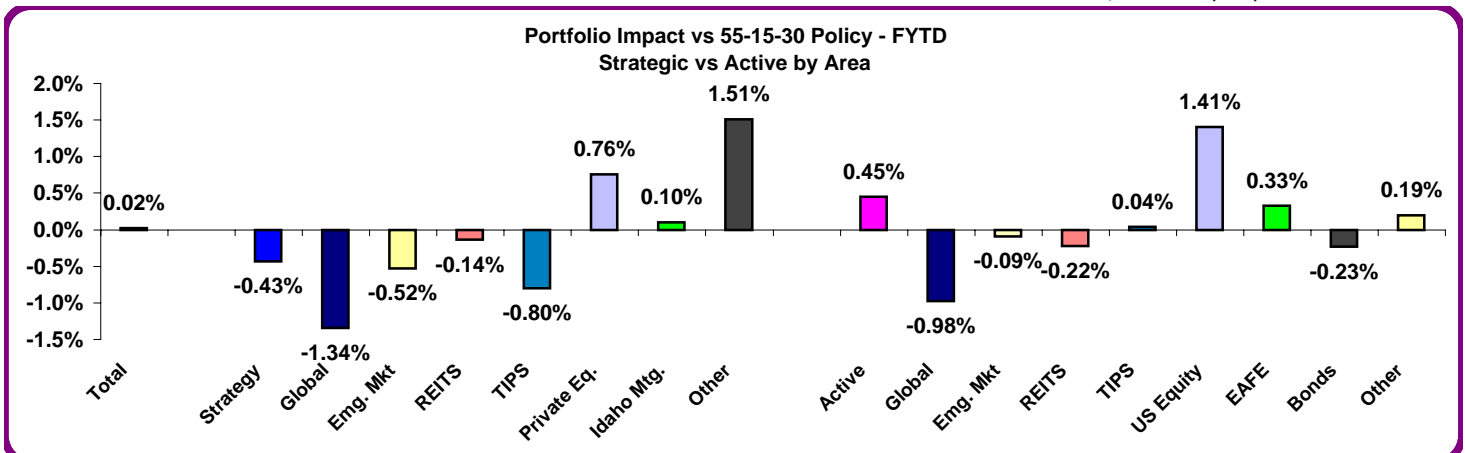
FYTD Benchmark Returns



CUMULATIVE RETURNS



	Current Month	One Year	Three Years		%
TOTAL FUND	-12.4%	-27.3%	0.1%	\$ 8,703,160,601	
US EQUITY	-11.0%	-22.6%	1.3%	\$ 3,393,633,084	39.0%
Mellon R3000	-14.2%	-34.1%	-4.3%	\$ 961,505,157	11.0%
Peregrine	-16.6%	-37.5%	-8.1%	\$ 131,144,330	1.5%
Tukman	-15.4%	-23.5%	-1.3%	\$ 266,435,821	3.1%
Mtn. Pac.	-18.5%	-27.6%	-0.9%	\$ 225,801,107	2.6%
TCW	-20.2%	-35.9%	-5.5%	\$ 133,598,487	1.5%
D. Smith	-15.6%	-38.5%	-4.6%	\$ 152,735,559	1.8%
Adelante REIT	-32.2%	-49.1%	-10.7%	\$ 135,258,207	1.6%
Real Estate Total	-9.1%	-11.2%	7.7%	\$ 660,594,524	7.6%
Private Equity	-1.7%	4.5%	14.4%	\$ 781,864,024	9.0%
GLOBAL EQUITY	-21.4%	-48.2%	-6.1%	\$ 1,470,153,762	16.9%
Barings	-19.8%	-41.3%	-2.8%	\$ 236,817,817	2.7%
Bernstein	-23.0%	-53.0%	-10.1%	\$ 175,426,519	2.0%
Brandes	-17.0%	-47.1%	-8.1%	\$ 479,466,682	5.5%
Cap Guardian	-18.7%	-42.3%	-5.7%	\$ 270,311,371	3.1%
Fortis	-21.0%			\$ 161,365,478	1.9%
Zesiger Public	-29.9%	-58.5%	-6.3%	\$ 258,075,552	3.0%
Zesiger Total	-29.0%	-56.9%	-5.3%	\$ 274,383,779	3.2%
INT. EQUITY	-21.9%	-47.7%	-2.8%	\$ 1,079,142,082	12.4%
Mellon EAFE	-20.1%	-46.3%	-5.2%	\$ 345,231,576	4.0%
Mondrian	-15.6%	-40.1%	-0.9%	\$ 225,118,027	2.6%
Bernstein Emg	-25.5%	-55.1%	-1.5%	\$ 236,612,193	2.7%
Genesis	-23.6%	-46.7%	1.8%	\$ 266,552,195	3.1%
FIXED INCOME	-4.3%	-1.3%	3.2%	\$ 2,640,076,411	30.3%
SSGA Gov/Credit	-3.2%	-1.4%	2.9%	\$ 590,685,252	6.8%
Barings	-3.5%	0.5%	4.1%	\$ 182,188,254	2.1%
Fidelity	-5.1%	-5.3%	1.5%	\$ 162,859,633	1.9%
Western	-7.1%	-13.8%	-1.0%	\$ 149,044,798	1.7%
DBF MBS	-1.5%	4.0%	5.1%	\$ 131,397,269	1.5%
Clearwater	-1.8%	3.5%	4.9%	\$ 135,226,792	1.6%
Idaho Mort	0.9%	12.0%	8.7%	\$ 353,186,815	4.1%
Western TIPS	-8.4%	-4.8%		\$ 267,172,495	3.1%
SSGA TIPS	-8.0%	-4.9%	1.4%	\$ 653,196,385	7.5%
Cash and Other				\$ 120,155,263	1.4%



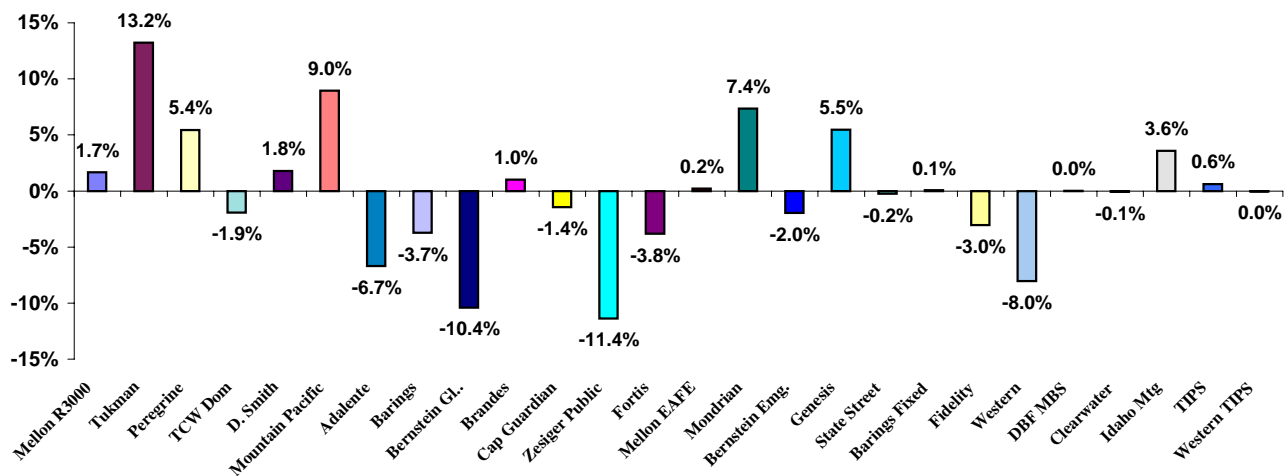
PERSI PORTFOLIO STATUS REPORT

October 31, 2008

	Latest Month	Fiscal Year to Date
Beginning Value	\$9,936,323,718	\$10,911,725,873
Net Contributions	(\$2,242,697)	(\$27,030,747)
Investment Gain	(\$1,230,920,419)	(\$2,181,534,525)
Ending Value	\$8,703,160,601	\$8,703,160,601

	Month	3 MO	FYTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr
Total Fund	-12.4%	-19.3%	-20.0%	-27.3%	-7.5%	0.1%	2.8%	4.5%
<i>No rebalancing</i>	-13.6%	-19.4%	-20.1%	-27.1%	-10.0%	-2.7%	0.0%	1.9%
<i>Benchmark (55-15-30)</i>	-13.6%	-19.8%	-20.6%	-28.6%	-10.1%	-2.6%	0.2%	1.9%
<i>PERSI rebalancing</i>	-13.1%	-19.3%	-20.0%	-28.8%	-10.1%	-2.5%	0.2%	2.1%
<i>Strategic Policies</i>	-12.5%	-18.5%	-19.0%	-27.1%	-8.2%	-1.1%	1.6%	3.2%
U.S. Equity	-11.0%	-14.4%	-14.0%	-22.8%	-6.3%	1.2%	3.8%	5.4%
<i>R3000 Index</i>	-17.9%	-24.4%	-25.0%	-36.7%	-14.9%	-5.5%	-1.7%	0.4%
Global Equity	-21.4%	-34.5%	-35.9%	-48.1%	-18.7%	-6.1%	-0.8%	1.5%
<i>World Index</i>	-19.0%	-29.6%	-31.3%	-41.6%	-15.9%	-4.8%	-0.5%	2.2%
Int. Equity	-21.9%	-37.0%	-38.9%	-47.6%	-15.5%	-2.7%	3.1%	5.9%
<i>MSCI EAFE</i>	-20.2%	-34.5%	-36.6%	-46.4%	-18.0%	-4.9%	0.5%	4.0%
Fixed Income	-4.2%	-5.5%	-5.6%	-1.2%	2.3%	3.2%	2.9%	3.6%
<i>Lehman Agg</i>	-2.4%	-2.8%	-2.8%	0.3%	2.8%	3.6%	3.0%	3.5%

FYTD Returns vs Benchmark



	Month	3 MO	FYTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr
<i>U.S./Global Equity Managers</i>								
Mellon S&P 500 Fund	-13.3%	-19.1%	-19.6%	-32.1%	-11.8%	-3.4%	-0.5%	1.4%
Mellon Mid and Small	-16.1%	-27.3%	-28.3%	-41.2%	-17.5%	-7.7%	-2.1%	0.4%
Peregrine	-16.6%	-23.2%	-21.2%	-37.5%	-14.5%	-8.1%	-3.6%	-3.6%
S&P 500 Growth	-16.4%	-25.3%	-26.7%	-36.4%	-13.8%	-6.3%	-3.1%	-1.6%
Tukman	-15.4%	-14.3%	-10.7%	-23.5%	-8.0%	-1.3%	-1.1%	0.0%
S&P 500	-16.9%	-23.2%	-23.9%	-36.2%	-14.5%	-5.3%	-1.9%	0.2%
Mtn. Pacific	-18.5%	-21.3%	-18.8%	-27.6%	-9.0%	-0.9%	1.0%	3.7%
TCW Dom	-20.2%	-27.5%	-29.7%	-35.9%	-16.0%	-5.5%	-2.1%	-0.1%
D. Smith	-15.6%	-21.6%	-20.0%	-38.5%	-18.7%	-4.6%	0.3%	5.3%
Russell 2500	-21.8%	-28.3%	-27.8%	-38.1%	-16.5%	-6.4%	-1.5%	1.2%
Barings	-19.8%	-32.3%	-35.0%	-41.3%	-12.4%	-2.8%	0.9%	2.7%
Bernstein Global	-23.0%	-39.5%	-41.7%	-53.0%	-25.1%	-10.1%	-3.4%	-0.2%
Brandes	-17.0%	-30.9%	-30.3%	-47.1%	-21.3%	-8.1%	-2.6%	1.4%
Cap Guardian	-18.7%	-30.1%	-32.8%	-42.3%	-16.7%	-5.7%	-1.3%	0.9%
Fortis	-21.0%	-33.1%	-35.1%	-41.6%				
Zesiger (Public)	-29.9%	-42.0%	-42.7%	-58.3%	-20.5%	-6.2%	0.7%	0.7%
Zesiger (Total)	-29.0%	-40.8%	-41.3%	-56.9%	-19.5%	-5.3%	1.2%	1.0%
R3000	-17.9%	-24.4%	-25.0%	-36.7%	-14.9%	-5.5%	-1.7%	0.4%
World Index	-19.0%	-29.6%	-31.3%	-41.6%	-15.9%	-4.8%	-0.5%	2.2%
Private Equity	-1.7%	-1.9%	-2.4%	4.4%	13.0%	14.4%	18.2%	18.8%
R3000	-17.9%	-24.4%	-25.0%	-36.7%	-14.9%	-5.5%	-1.7%	0.4%
Adelante	-32.2%	-36.1%	-35.6%	-49.1%	-28.9%	-10.7%	3.1%	7.9%
Real Estate	-8.2%	-9.2%	-9.0%	-10.5%	-1.1%	8.0%	10.8%	14.5%
NCREIF	0.0%	0.0%	0.0%	6.8%	11.9%	14.0%	15.1%	14.3%
WREIT	-32.6%	-31.1%	-29.0%	-41.2%	-23.8%	-6.9%	-0.9%	9.1%
<i>International Equity Managers</i>								
Index Fund	-20.1%	-34.3%	-36.4%	-46.2%	-18.2%	-5.2%	0.1%	3.5%
Mondrian	-15.6%	-27.8%	-29.2%	-40.1%	-13.9%	-0.9%	3.5%	7.4%
International Index	-20.2%	-34.5%	-36.6%	-46.4%	-18.0%	-4.9%	0.5%	4.0%
Bernstein Em. Mkt	-27.6%	-45.7%	-48.9%	-56.3%	-16.3%	-2.4%	6.4%	10.9%
Genesis Em. Mkts	-25.3%	-40.6%	-41.5%	-47.9%	-12.2%	1.1%	9.3%	12.3%
Emerging Mkts	-27.5%	-44.9%	-47.0%	-56.3%	-14.2%	-0.1%	7.6%	9.8%

	Month	3 MO	FYTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr
Fixed Income Managers								
Barings Fixed	-3.1%	-3.0%	-2.8%	1.0%	3.9%	4.2%	3.9%	4.3%
Western	-6.3%	-9.1%	-10.9%	-13.0%	-4.1%	-0.7%	-0.3%	1.2%
Fidelity	-4.5%	-5.5%	-5.9%	-4.8%	-0.3%	1.7%		
Lehman Agg.	-2.4%	-2.8%	-2.8%	0.3%	2.8%	3.6%	3.0%	3.5%
DBF MBS	-1.3%	0.4%	0.3%	4.2%	4.9%	5.1%	4.2%	4.3%
Clearwater	-1.6%	0.4%	0.2%	3.7%	4.5%	5.0%	4.1%	4.5%
Lehman Mort.	-1.3%	0.4%	0.3%	4.3%	5.0%	5.2%	4.3%	4.6%
Idaho Mort.	0.9%	3.0%	3.8%	12.0%	10.1%	8.7%	6.7%	6.3%
Gov/Corp Fund	-2.8%	-4.4%	-4.3%	-1.0%	2.1%	3.1%	2.5%	3.1%
Gov/Corp Index	-2.5%	-4.1%	-4.1%	-1.1%	2.1%	3.0%	2.5%	3.1%
Western (12/06)	-8.4%	-11.5%	-12.0%	-4.8%	0.9%	1.8%		
TIPS	-8.0%	-11.0%	-11.3%	-4.9%	0.3%	1.4%	2.1%	3.4%
Lehman TIPS	-8.7%	-11.5%	-11.9%	-4.1%	1.0%	1.6%	2.0%	3.1%

PRIVATE EQUITY

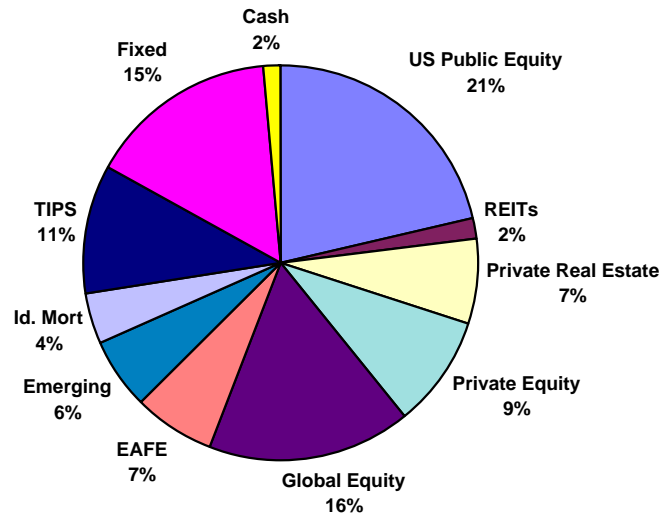
	Month	3 MO	FYTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr
Private Real Estate	-0.3%	0.2%	0.3%	10.8%	13.3%	10.6%	10.8%	11.1%
NCREIF	0.0%	0.0%	0.0%	6.8%	11.9%	14.0%	15.1%	14.3%
Private Equity	-1.7%	-1.9%	-2.4%	4.4%	13.0%	14.4%	18.2%	18.8%
Russell 3000	-17.9%	-24.4%	-25.0%	-36.7%	-14.9%	-5.5%	-1.7%	0.4%

IMPACT OF POLICIES AND ACTIVE MANAGEMENT ON TOTAL FUND RETURNS

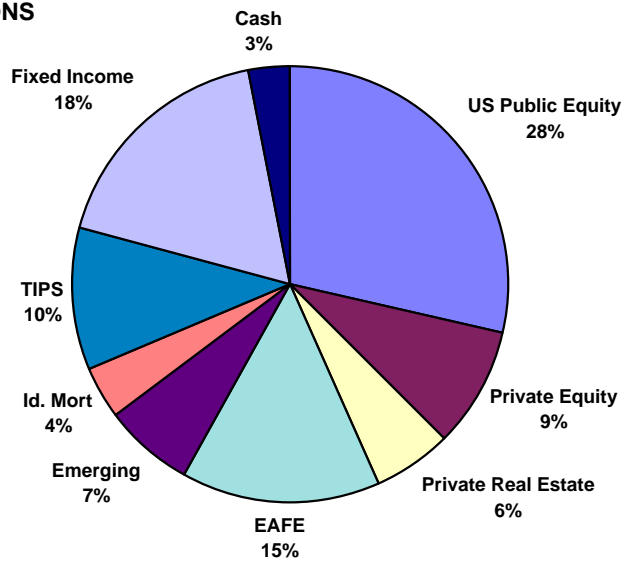
	Month	3 MO	FYTD	1 Yr	2 Yr	3 Yr	5 Yr	7 Yr
Base 55-15-30 Return	-13.57%	-19.84%	-20.59%	-28.6%	-10.1%	-2.5%	2.1%	2.8%
PERSI vs 55-15-30 (+/-)	1.22%	0.52%	0.61%	1.3%	2.7%	2.7%	2.4%	2.2%
Actual Rebalance	0.48%	0.64%	0.65%	-0.2%	0.0%	0.1%	0.1%	0.1%
Global vs R3000	-0.67%	-2.54%	-2.82%	-3.6%	-0.7%	0.1%	0.3%	0.5%
REITS vs R3000	-0.29%	-0.24%	-0.22%	-0.4%	-0.3%	0.0%	0.2%	0.3%
Emerging Mkts vs EAFE	-0.24%	-0.59%	-0.63%	-0.4%	0.5%	0.4%	0.4%	0.5%
TIPS vs Leh Agg	-0.58%	-0.86%	-0.89%	-0.6%	-0.3%	-0.2%	0.0%	0.1%
Idaho Mortgages vs Agg	0.12%	0.20%	0.22%	0.3%	0.2%	0.1%	0.1%	0.1%
Private Equity vs. R3000	1.28%	1.84%	1.86%	3.2%	1.7%	1.1%	0.8%	0.4%
Private Realty vs R3000	1.07%	1.55%	1.59%	2.6%	1.3%	0.8%	0.5%	0.4%
Currency Overlay	0.02%	0.04%	0.05%	0.0%	0.0%	0.0%	0.0%	0.0%
Active US Only	0.08%	0.48%	0.78%	0.9%	0.4%	0.4%	0.3%	0.2%
Active EAFE	0.13%	0.24%	0.28%	0.3%	0.1%	0.0%	-0.1%	0.0%
Other Bond	-0.15%	-0.21%	-0.24%	-0.4%	-0.2%	-0.1%	-0.1%	-0.1%
Interactive and Other	-0.03%	-0.01%	-0.04%	-0.4%	-0.2%	0.0%	-0.1%	-0.1%
MJ Managers	0.05%	-0.10%	-0.11%	-0.26%	-0.33%	-0.09%		

ACCOUNT	AMOUNT	ALLOCATION
U.S./GLOBAL EQUITY	\$ 4,867,536,846	55.9%
LARGE CAP	\$1,182,159,147	13.6%
Mellon S&P 500	\$784,578,995	9.0%
Tukman	\$266,435,821	3.1%
Peregrine	\$131,144,330	1.5%
SMALL CAP	\$689,061,314	7.9%
Mellon Midcap	\$101,203,424	1.2%
Mellon R2000	\$75,722,738	0.9%
Mountain Pacific	\$225,801,107	2.6%
TCW Dom.	\$133,598,487	1.5%
D. Smith	\$152,735,559	1.8%
GLOBAL	\$1,470,153,762	16.9%
Barings	\$236,817,817	2.7%
Bernstein Gl.	\$175,426,519	2.0%
Cap Guardian	\$270,311,371	3.1%
Brandes	\$368,157,024	4.2%
Zeisiger (Public)	\$258,075,552	3.0%
Fortis	\$161,365,478	1.9%
PRIVATE EQUITY	\$ 785,614,024	9.0%
REAL ESTATE	\$740,548,598	8.5%
Private Real Estate	\$605,290,391	7.0%
Adelante	\$135,258,207	1.6%
INTERNATIONAL EQUITY	\$ 1,079,142,082	12.4%
Mellon Index	\$345,231,576	4.0%
Mondrian	\$225,118,027	2.6%
Genesis	\$266,552,195	3.1%
Bernstein Emg.	\$236,612,193	2.7%
Pareto Partners	\$5,628,090	0.1%
FIXED INCOME	\$2,624,957,693	30.2%
State Street	\$590,685,252	6.8%
Barings	\$182,188,254	2.1%
Western	\$149,044,798	1.7%
Fidelity	\$162,859,633	1.9%
DBF MBS	\$131,397,269	1.5%
Idaho Mortgage	\$353,186,815	4.1%
Clearwater	\$135,226,792	1.6%
Western TIPS	\$267,172,495	3.1%
TIPS	\$653,196,385	7.5%
CASH AND OTHER	\$ 131,523,981	1.5%
TOTAL	\$ 8,703,160,601	

TOTAL FUND ALLOCATIONS By Manager Benchmark



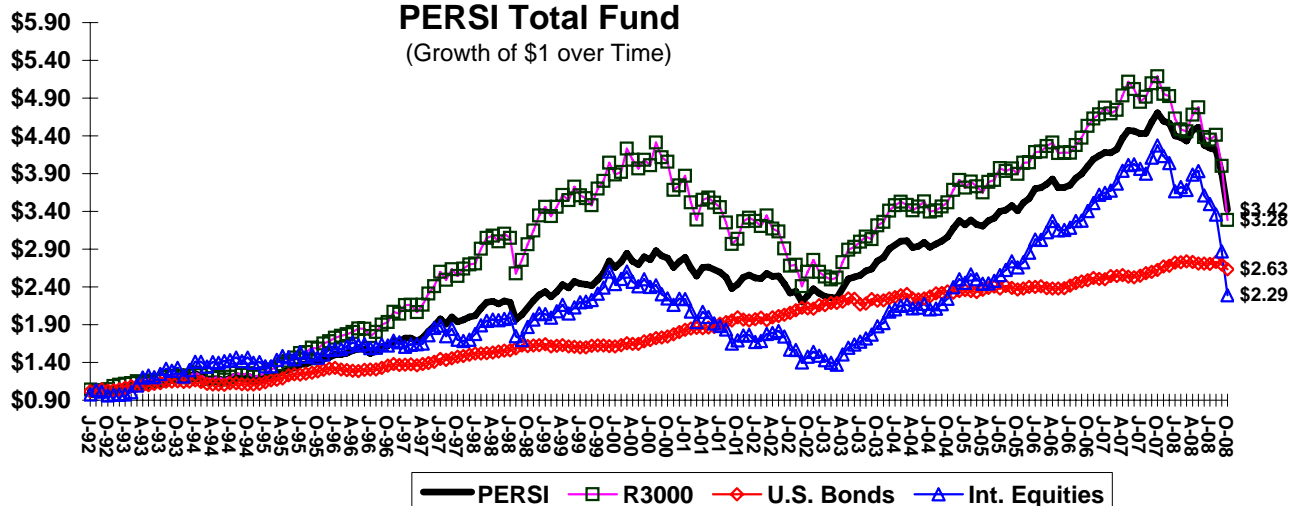
TOTAL FUND ALLOCATIONS As Invested



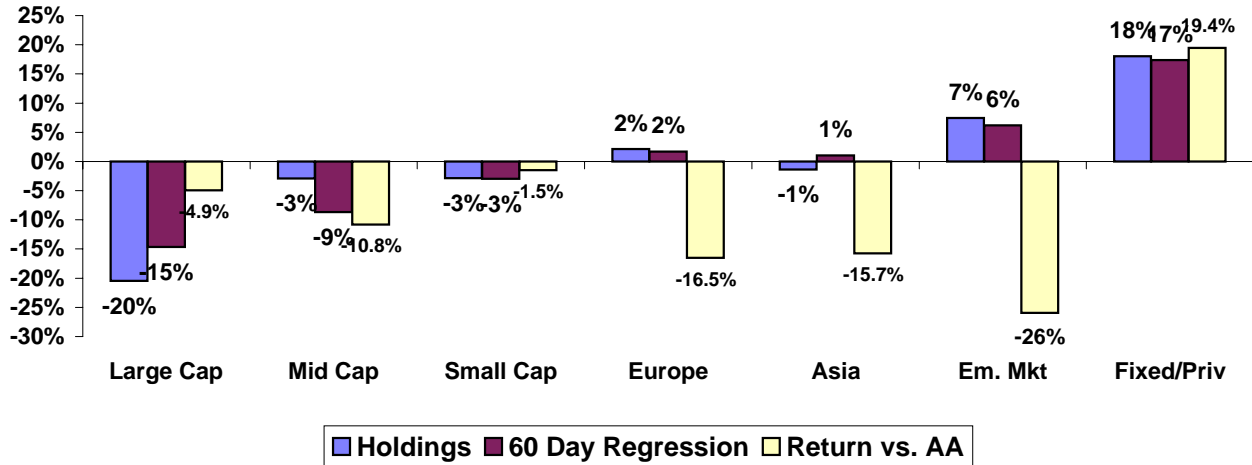
CUMULATIVE RETURN VS. BENCHMARKS

PERSI Total Fund

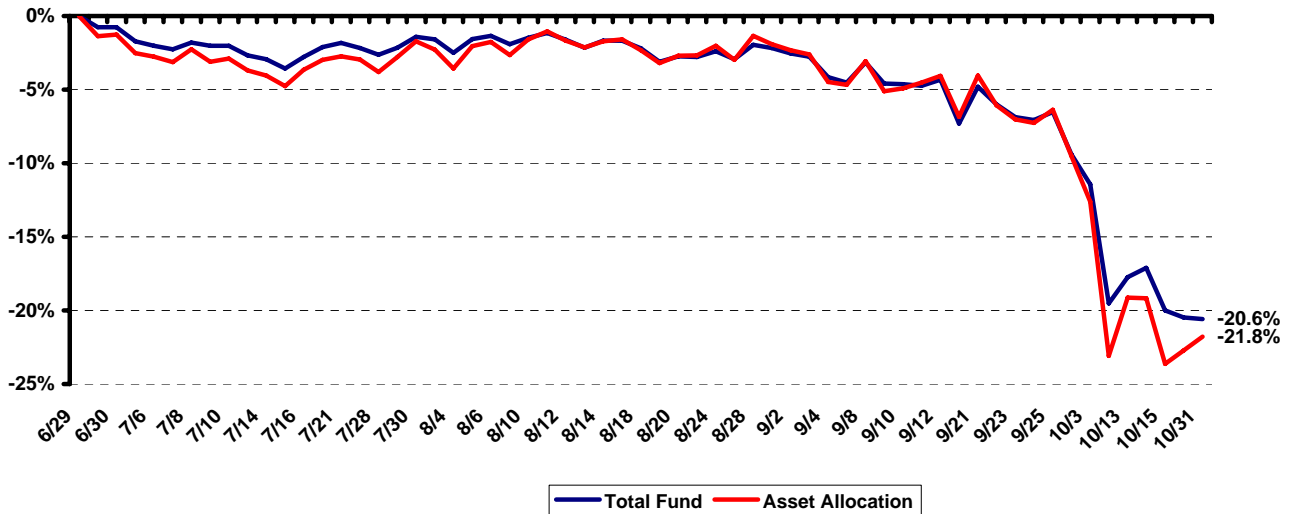
(Growth of \$1 over Time)



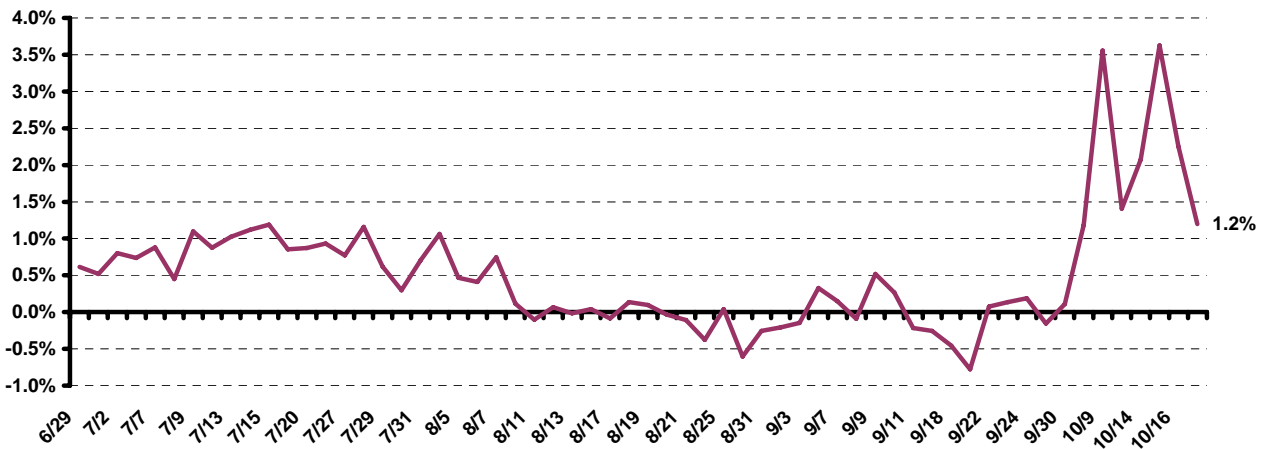
Changes from Asset Allocation

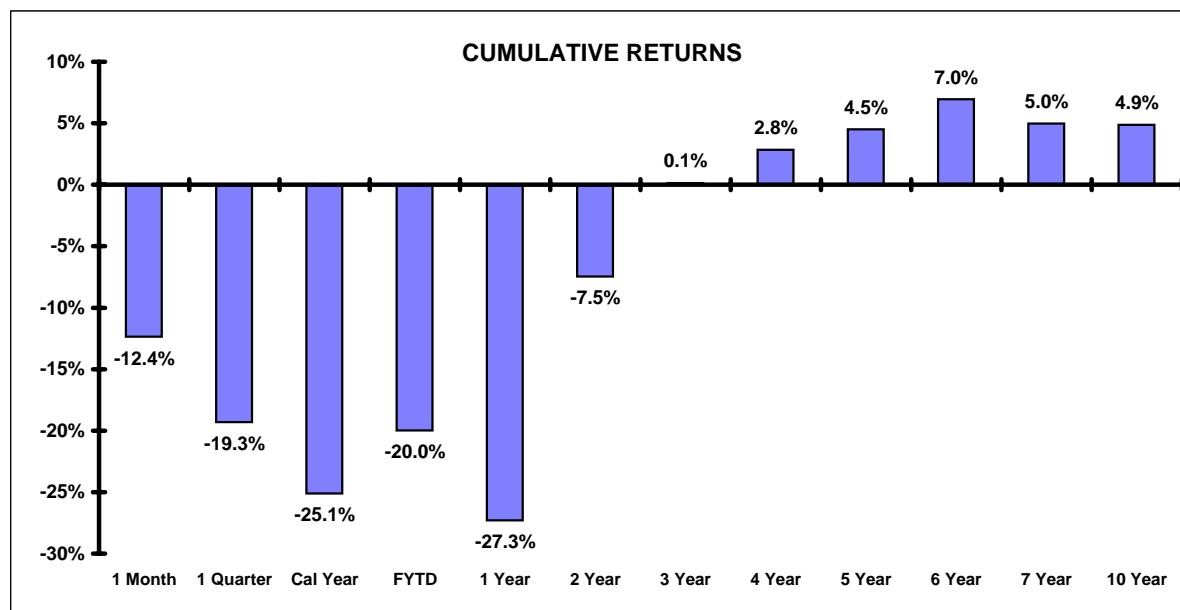
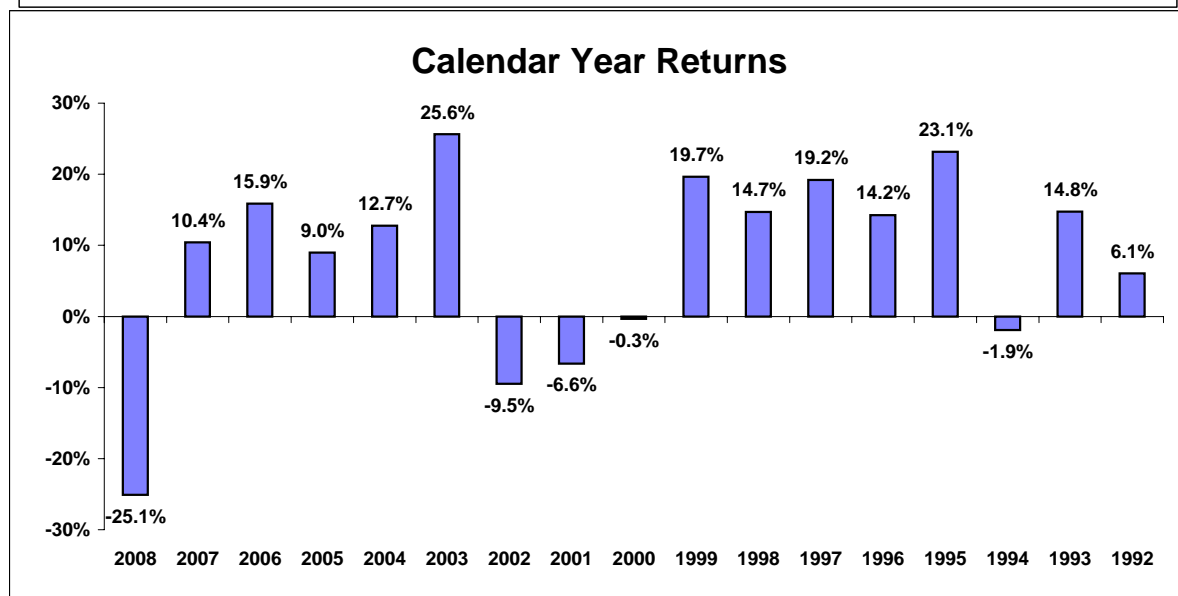
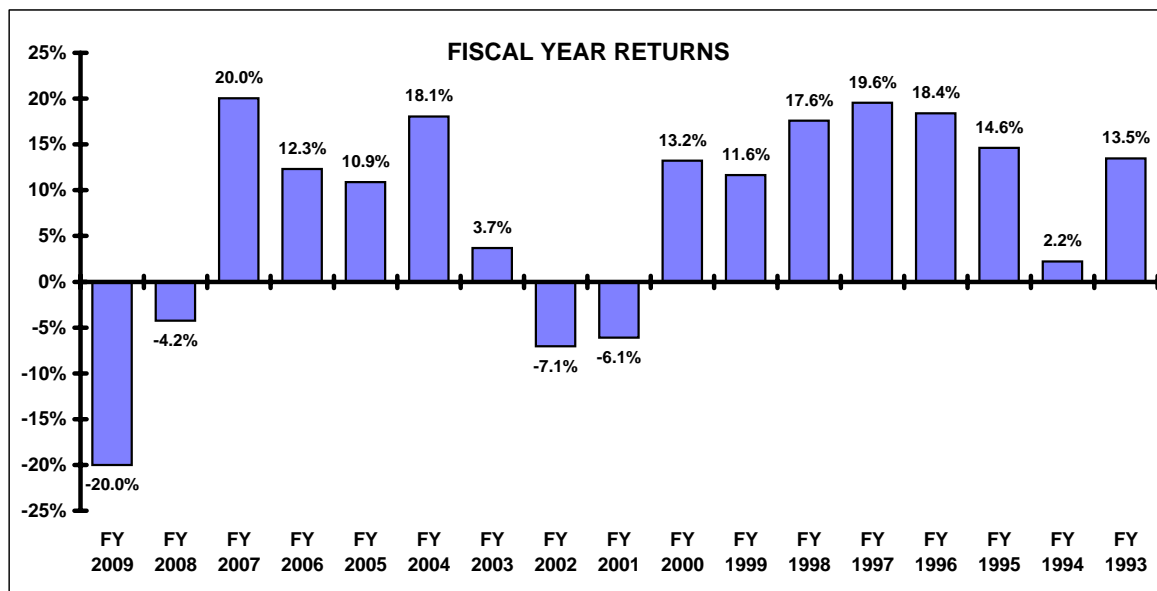


Recent Cumulative Returns

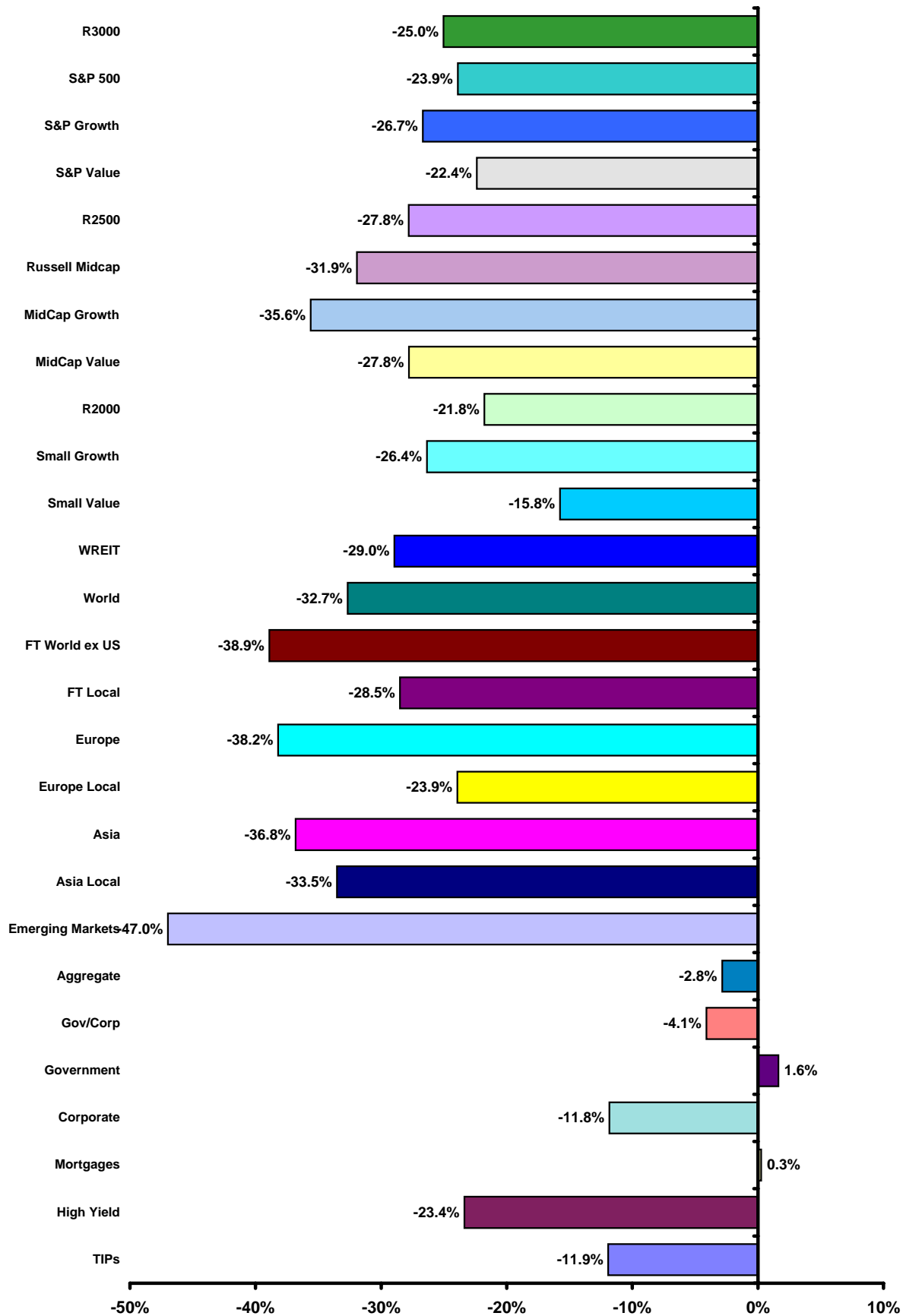


Short-Term Cumulative Returns vs Benchmark



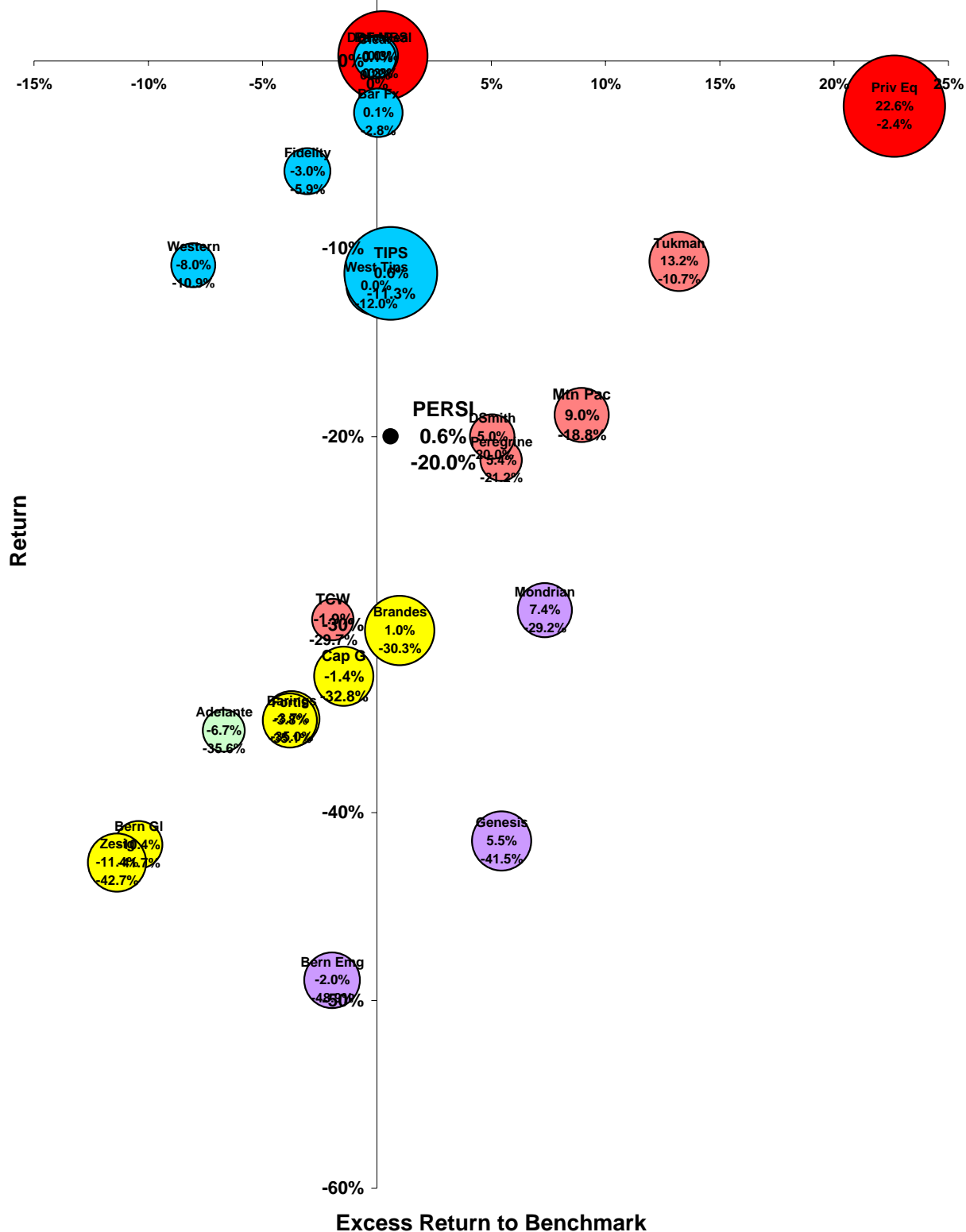


FYTD Benchmark Returns



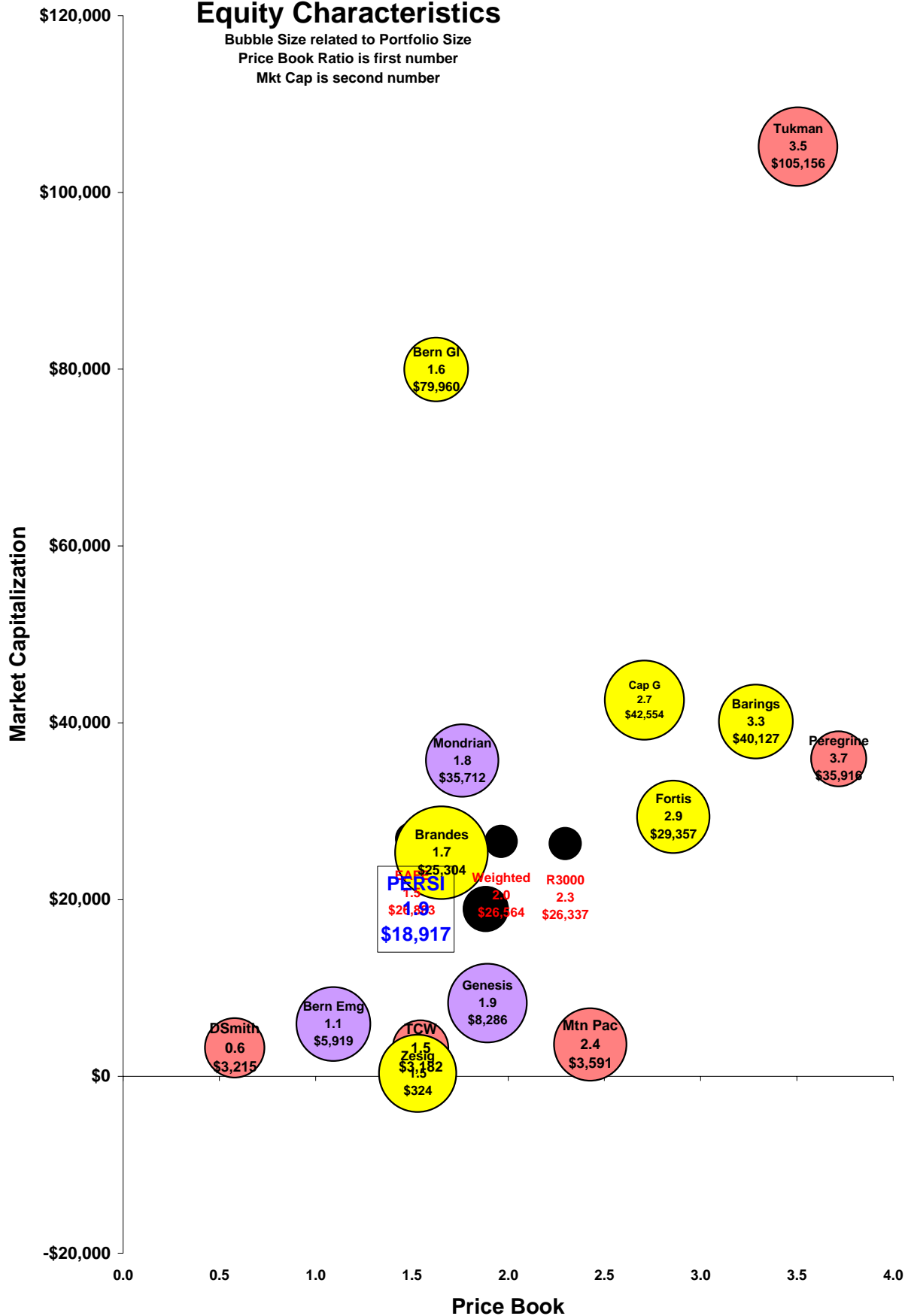
Fiscal Year to Date Returns

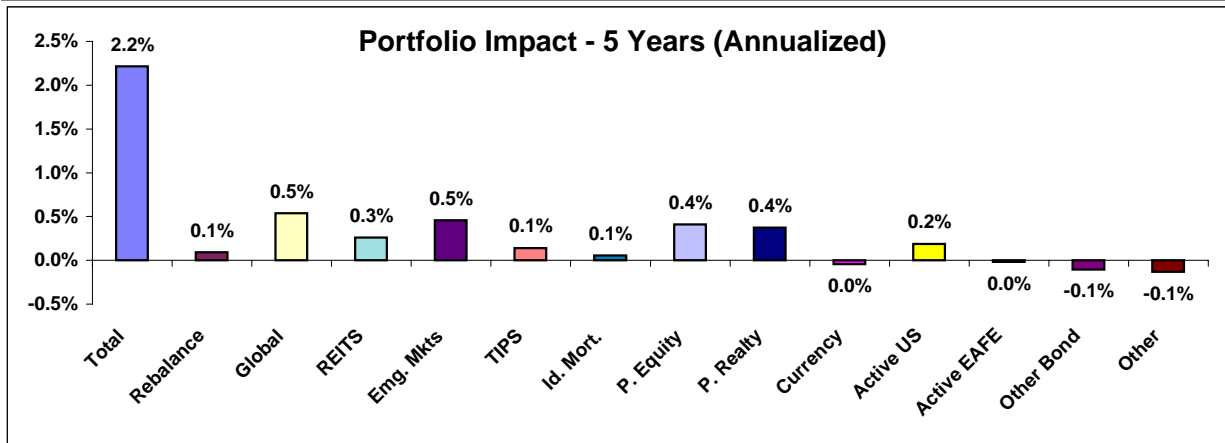
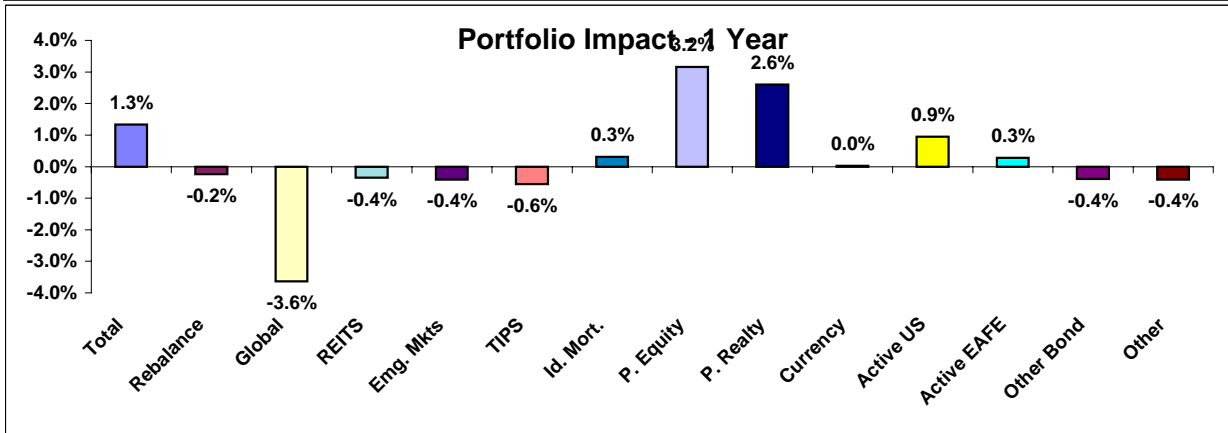
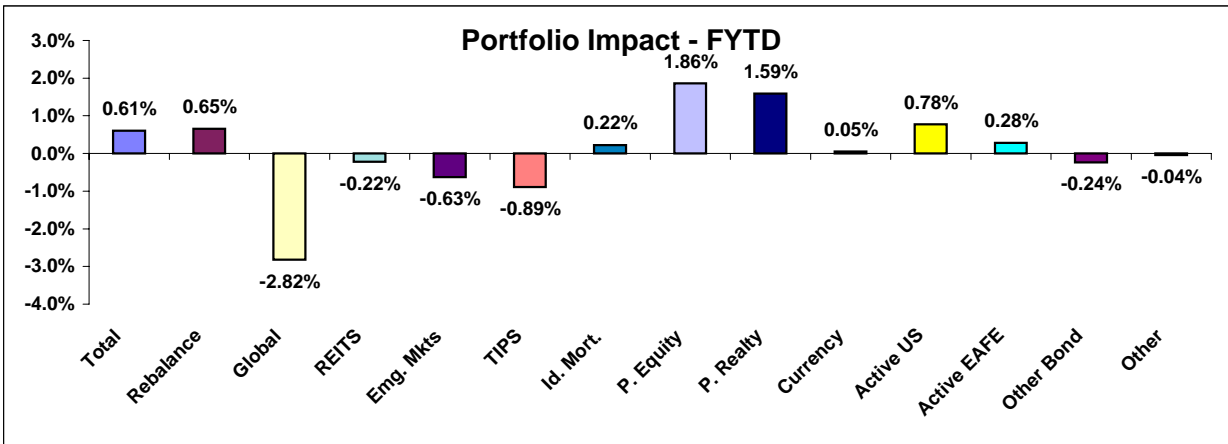
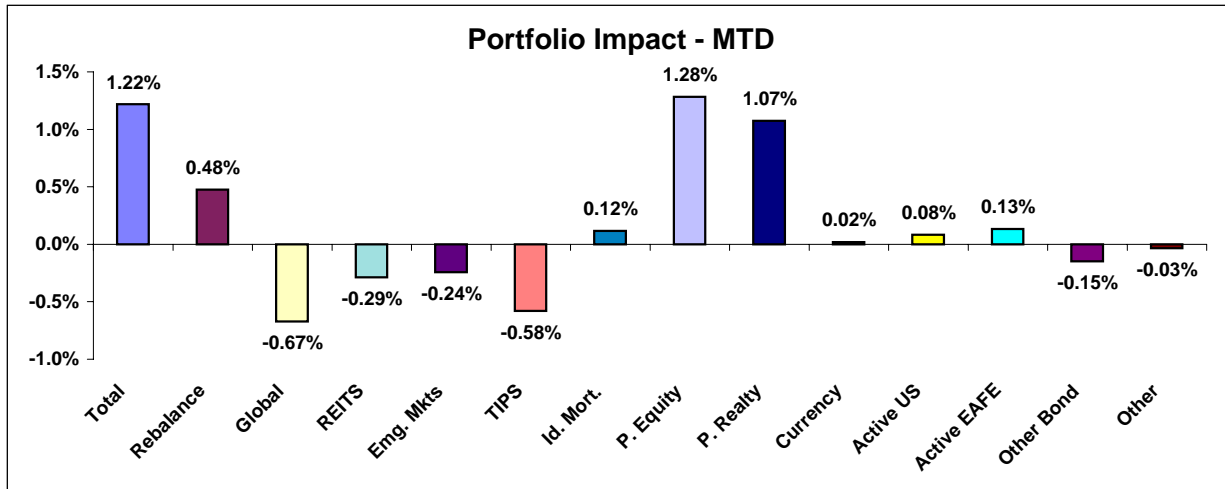
Bubble Size related to Portfolio Size
Excess Return is first number
Total Return is second number



Equity Characteristics

Bubble Size related to Portfolio Size
Price Book Ratio is first number
Mkt Cap is second number



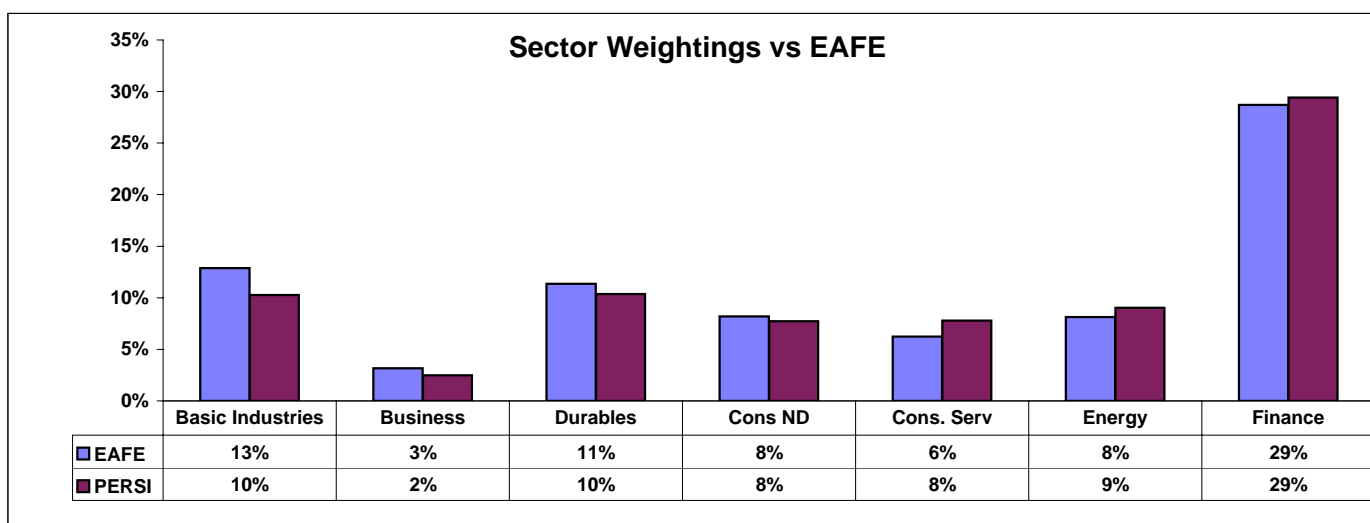
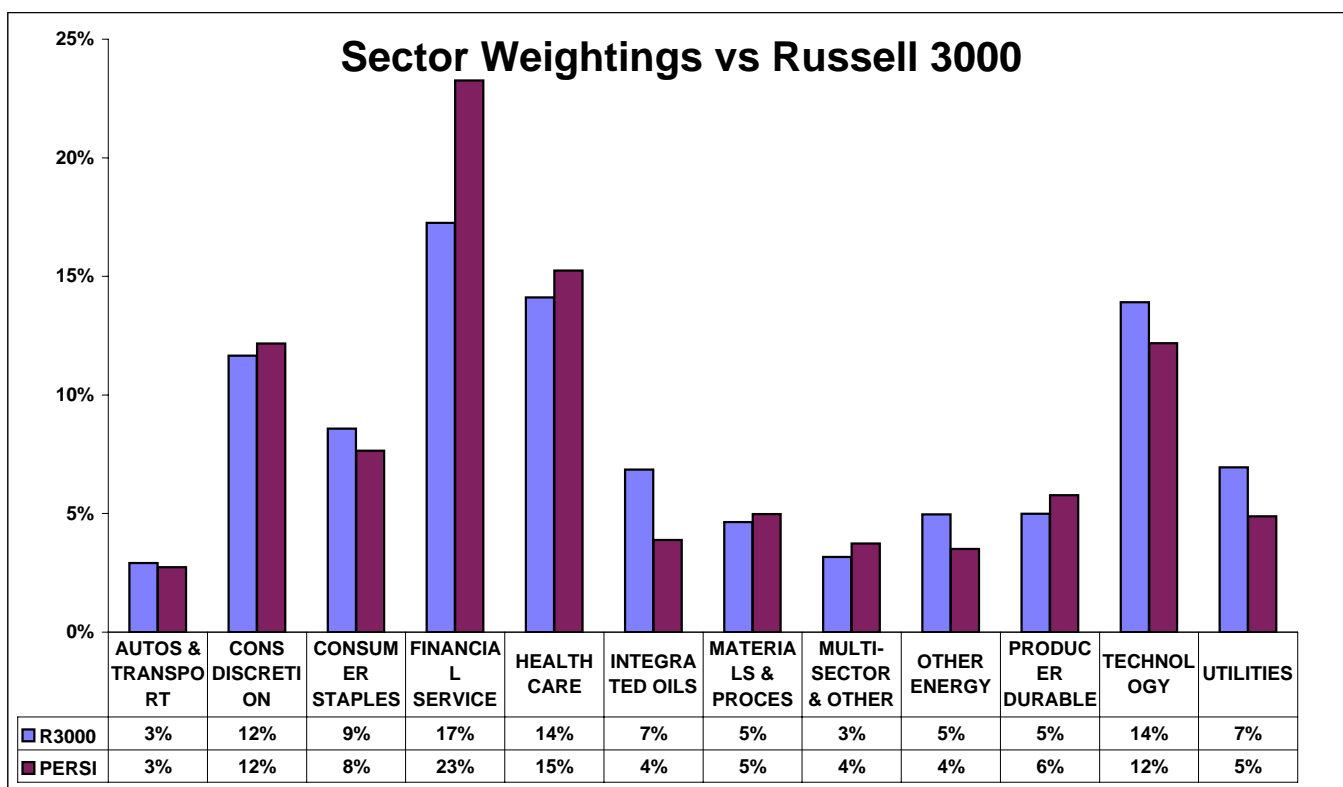
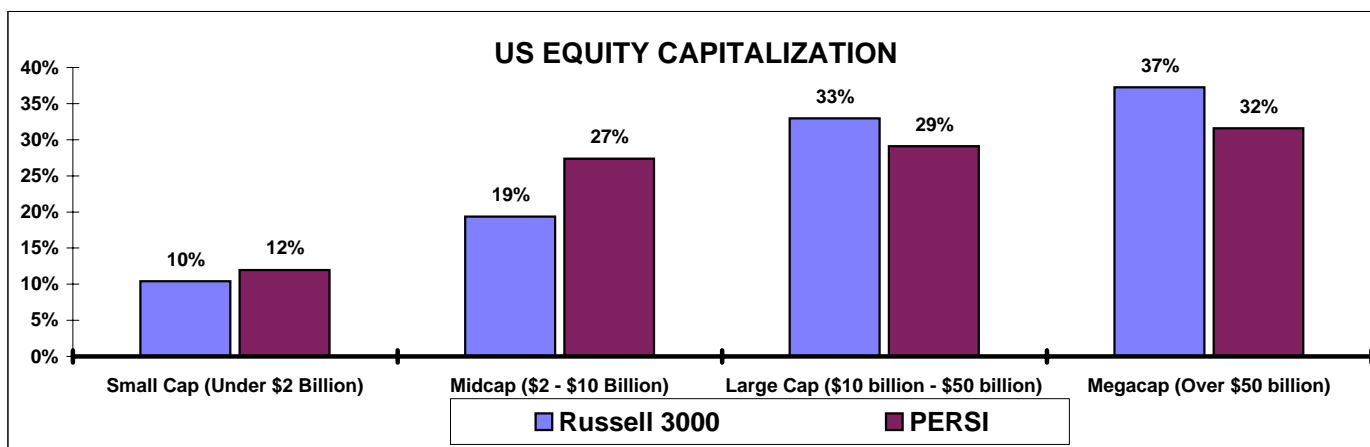


LARGEST HOLDINGS

TOTAL FUND		ACTIVE EQUITY MANAGERS			
ISSUE NAME	%	Manager	Amount	Holding	%
US TREAS-CPI INFLATION INDEX	12.0%	Peregrine	\$ 8,563,848	SCHWAB CHARLES CORP NEW COM	6.5%
PERSI STIF	6.3%	Tukman	\$ 22,033,956	PROCTER & GAMBLE CO COM	8.3%
IDAHO MORTGAGES-FSB	4.6%	D. Smith	\$ 13,039,800	PINNACLE WEST CAP CORP COM	8.6%
KOLL-PERS LLC	4.6%	Mtn. Pacific	\$ 8,825,000	BARD C R INC	3.9%
COMMIT TO PUR FNMA SF MTG	2.5%	Lend Lease	\$ 14,475,799	SIMON PPTY GROUP INC NEW COM	10.7%
OLYMPIC/IDA FUND II LLC	1.4%	TCW Domestic	\$ 4,319,018	PEOPLES UTD FINL INC COM	3.2%
U S TREASURY NOTES	1.4%	Barings Equity	\$ 4,370,736	BG GROUP PLC ORD GBP0.10	1.8%
U S TREASURY BONDS	1.1%	Brandes	\$ 15,249,432	DEUTSCHE TELEKOM AG NPV (REGD)	4.2%
CAH-IDA 8TH ST CAP STHWST	0.7%	Cap Guardian	\$ 7,908,131	ROCHE HLDG AG GENUSSSCHEINE NPV	2.9%
COMMIT TO PUR FHLMC GOLD SFM	0.7%	Bernstein Gbl	\$ 7,183,980	CHEVRON CORPORATION COM	4.2%
MICROSOFT CORP COM	0.7%	Fortis	\$ 6,430,829	GENERAL MLS INC COM	4.1%
COMMIT TO PUR GNMA SF MTG	0.7%	Zesiger	\$ 12,330,000	DURECT CORP COM	4.8%
EXXON MOBIL CORP	0.6%				
PROCTER & GAMBLE CO COM	0.6%	Mondrian	\$ 9,723,843	TAKEDA PHARMACEUTICAL CO LTD	4.3%
WAL MART STORES INC COM	0.5%	Genesis	\$ 9,363,712	ANGLO AMERICAN USD0.54 (POST	3.3%
JOHNSON & JOHNSON COM	0.5%	Bernstein Emg.	\$ 9,378,621	CHINA PETROLEUM AND CHEMICAL	3.6%
GENERAL ELEC CO COM	0.5%				
HAMILTON LANE COINVEST	0.5%				
APOLLO VI LP	0.4%				
IBM CORP COM	0.4%				
WELLS FARGO & CO NEW COM	0.4%				
FIRST RESERVE FUND XI	0.4%				
LINDSAY GOLDBERG & BESSEMER II	0.4%				
CVC EUROPEAN EQUITY IV	0.4%				
KKR 2006 LP	0.4%				
BLACKSTONE CAPITAL PARTNERS V	0.4%				
TPG PARTNERS V LP	0.4%				
PFIZER INC COM STK USD0.05	0.4%				
PEPSICO INC COM	0.4%				
GLAXOSMITHKLINE ORD GBP0.25	0.4%				
JPMORGAN CHASE & CO COM	0.4%				
PROVIDENCE EQUITY PARTNERS V	0.4%				
ENHANCED EQUITY FUND LP	0.4%	Total Top 36	47.0%		
NEWBRIDGE ASIA IV LP	0.4%				
COCA COLA CO COM	0.4%				
GOLDMAN SACHS GROUP INC COM	0.3%				

Domestic Equity Characteristics (Wgt Median)

	P/E	P/B	Yield	Mkt Cap	5Y Earn G	ROE 5 yr
PERSI	14.1	2.3	2.2%	\$ 18,584	13.9%	19.0%
<i>R3000</i>	13.4	2.3	2.3%	\$ 26,337	15.0%	19.5%
US Only Active	13.9	2.3	2.2%	\$ 18,485	14.1%	19.6%
Peregrine	16.6	3.7	1.5%	\$ 35,916	23.2%	23.1%
Tukman	15.3	3.5	2.5%	\$ 105,156	12.6%	30.0%
Mtn Pacific	14.7	2.4	0.9%	\$ 3,591	15.1%	19.5%
TCW Domestic	12.3	1.5	2.1%	\$ 3,182	10.9%	14.0%
Donald Smith	11.8	0.6	3.9%	\$ 3,215	8.0%	6.6%
Global Managers US	13.1	2.1	2.2%	\$ 27,891	15.3%	18.8%
Barings	15.3	3.3	1.7%	\$ 40,127	21.1%	30.4%
Bernstein	9.7	1.6	3.7%	\$ 79,960	18.6%	15.9%
Brandes	12.1	1.7	3.8%	\$ 25,304	3.2%	13.8%
Cap Guardian	16.0	2.7	1.6%	\$ 42,554	18.3%	19.7%
Fortis	13.5	2.9	1.6%	\$ 29,357	17.2%	21.1%
Zesiger	12.1	1.5	0.0%	\$ 324	9.2%	11.4%
	P/E	P/B	Dividend Yield	Mkt Cap	Ern gwth 5Y	ROE 5 yr
PERSI	12.5	1.9	2.7%	\$ 18,917	16.4%	18.5%
<i>World Weighted</i>	12.0	2.0	3.0%	\$ 26,564	16.9%	17.9%
Global Equity Managers	12.0	1.7	2.7%	\$ 25,023	18.3%	16.5%
<i>Weighted Indices</i>	11.6	1.9	3.2%	\$ 26,640	17.5%	17.4%
Barings	12.7	2.3	2.3%	\$ 24,548	22.9%	20.3%
<i>W.I.</i>	11.3	1.8	3.4%	\$ 26,687	17.9%	17.1%
Bernstein	7.3	1.0	4.9%	\$ 30,806	22.1%	16.1%
<i>W.I.</i>	11.2	1.8	3.4%	\$ 26,696	17.9%	17.0%
Brandes	12.7	1.5	3.7%	\$ 29,426	10.1%	13.8%
<i>W.I.</i>	11.6	1.9	3.2%	\$ 26,632	17.4%	17.5%
Cap Guardian	12.7	2.1	2.6%	\$ 30,274	21.1%	18.8%
<i>W.I.</i>	11.5	1.8	3.3%	\$ 26,649	17.6%	17.4%
Fortis	11.5	2.5	2.4%	\$ 30,649	23.6%	19.6%
<i>W.I.</i>	12.2	2.0	2.9%	\$ 26,536	16.6%	18.1%
Zesiger	9.2	1.0	0.0%	\$ 843	20.0%	16.1%
<i>W.I.</i>	11.7	1.9	3.2%	\$ 26,619	17.3%	17.6%
Mellon EAFE	10.1	1.5	4.0%	\$ 26,883	19.5%	15.8%
Mondrian	12.0	1.8	4.7%	\$ 35,712	14.6%	17.5%
Genesis	10.3	1.9	2.5%	\$ 8,286	27.9%	23.7%
Bernstein Emg.	7.0	1.1	4.5%	\$ 5,919	29.3%	20.8%



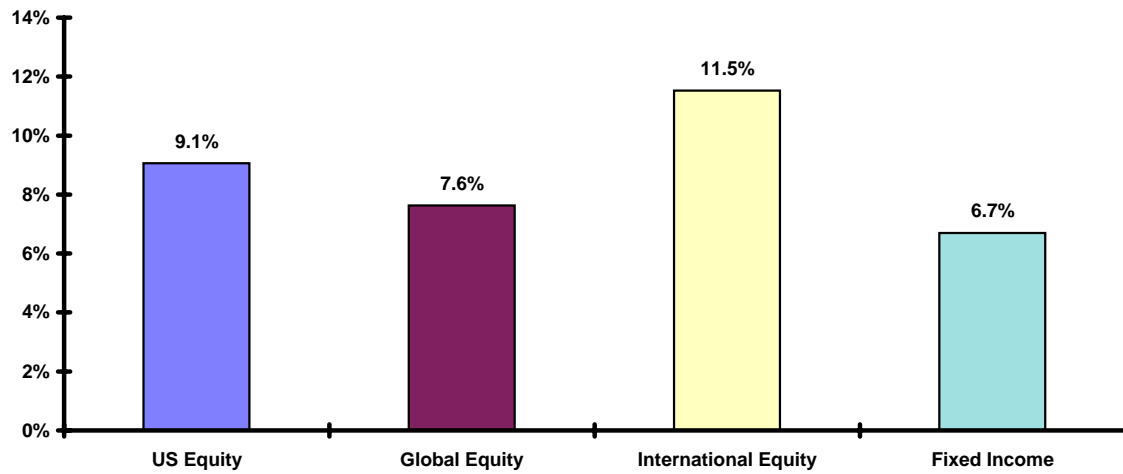
FIXED INCOME PORTFOLIO

Mean Characteristics

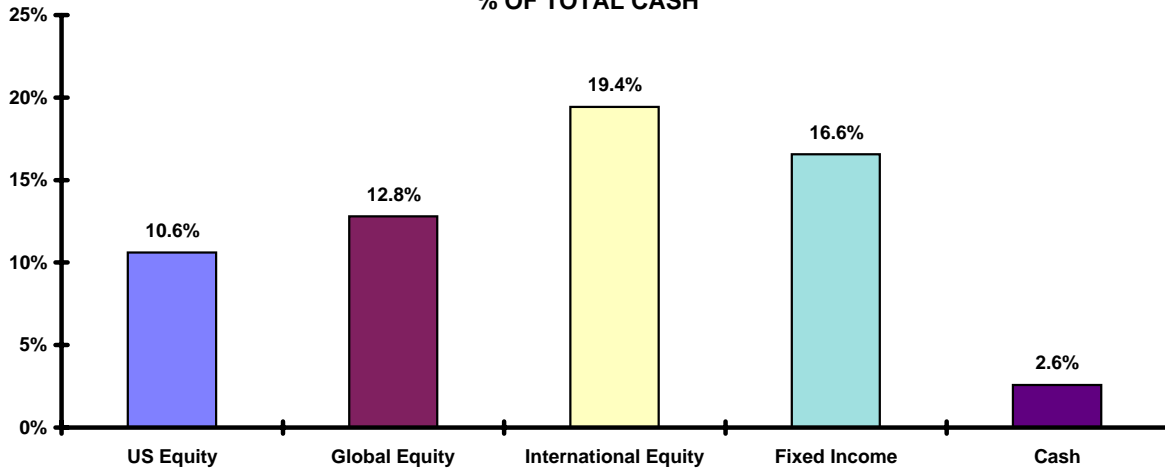
	SSGA G/C	Fx X Mtg,TIPS	Western	Barings	Fidelity	DBF MBS
Coupon Rate	5.34	6.84	9.62	-57.21	5.56	5.27
Years to Maturity	7.60	15.65	38.84	-225.38	18.38	20.27
Average Price	97.6	124.6	373.9	-1057.5	94.9	92.3
Moody Qual Code	3	4	11	-15	5	1
Moody Qual Rating	AA1	AA2	BAA2	B1	AA2	AAA
S&P Qual Code	4	4	10	-19	5	1
S&P Qual Rating	A-1+	AA	BBB	CCC	AA-	AGY
DBRS Qual Code	3	0	0	0	0	0
DBRS Qual Rating	AA	-	-	-	-	-
Current Yield	5.47	7.05	12.71	-61.06	7.83	5.32
Yield to Maturity	4.93	6.71	20.67	-28.62	8.59	5.23
Option Adjusted Duration	4.91	6.06	9.55	-33.55	5.04	3.60
Modified Duration	5.03	6.36	10.23	-57.06	5.50	4.10
Option Adjusted Convexity	0.46	0.07	-0.04	2.91	0.31	-0.93
Number of Holdings	1643	1721	430	43	768	35
Market Value	\$ 580,031,085	\$ 694,991,331	\$ 103,568,122	\$ (18,164,500)	\$ 153,111,681	\$ 133,124,746

	Total Fixed Inc Mgrs	SSGA-TIPS	Western TIPS	PERSI-STIF
Coupon Rate	4.71	3.38	2.78	0.21
Years to Maturity	17.30	12.32	12.24	0.09
Average Price	123.6	94.2	97.1	81.1
Moody Qual Code	3	0	1	3
Moody Qual Rating	AA1	UST	AAA	AA1
S&P Qual Code	3	0	1	3
S&P Qual Rating	A-1+	UST	UST	A-1+
DBRS Qual Code	0	0	0	0
DBRS Qual Rating	-	-	-	-
Current Yield	6.07	3.42	2.97	1.08
Yield to Maturity	7.29	3.79	4.32	3.21
Option Adjusted Duration	7.72	8.36	7.46	0.13
Modified Duration	8.43	9.40	8.32	0.13
Option Adjusted Convexity	0.73	1.32	0.74	0.00
Number of Holdings	2948	7	30	24
Market Value	\$ 2,206,067,678	\$ 648,666,506	\$ 258,729,697	\$ 480,291,769

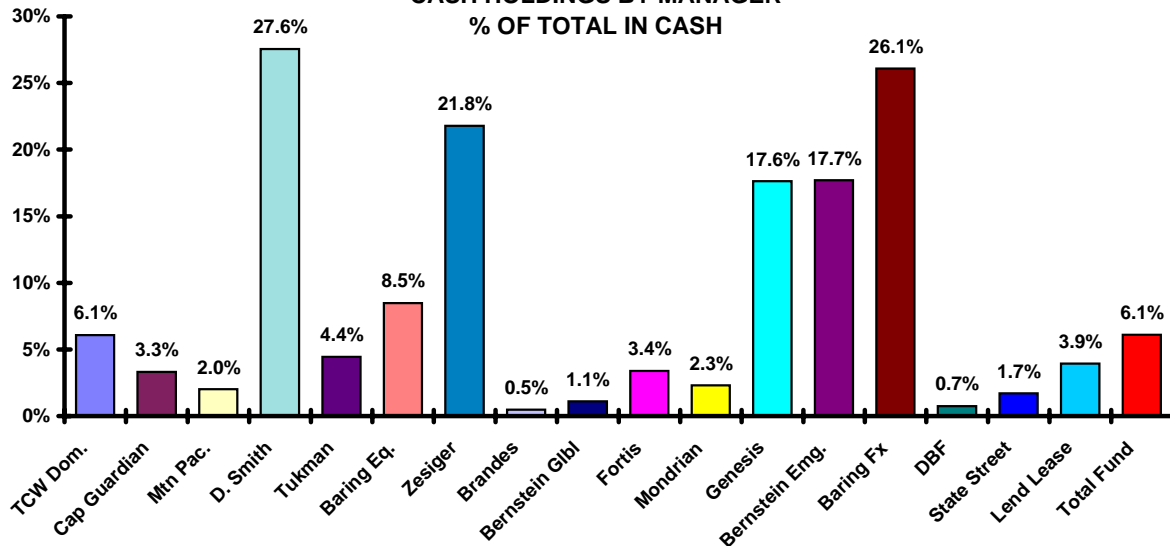
CASH HOLDINGS BY ACTIVE MANAGER ASSET TYPE
% OF ACCOUNT IN CASH

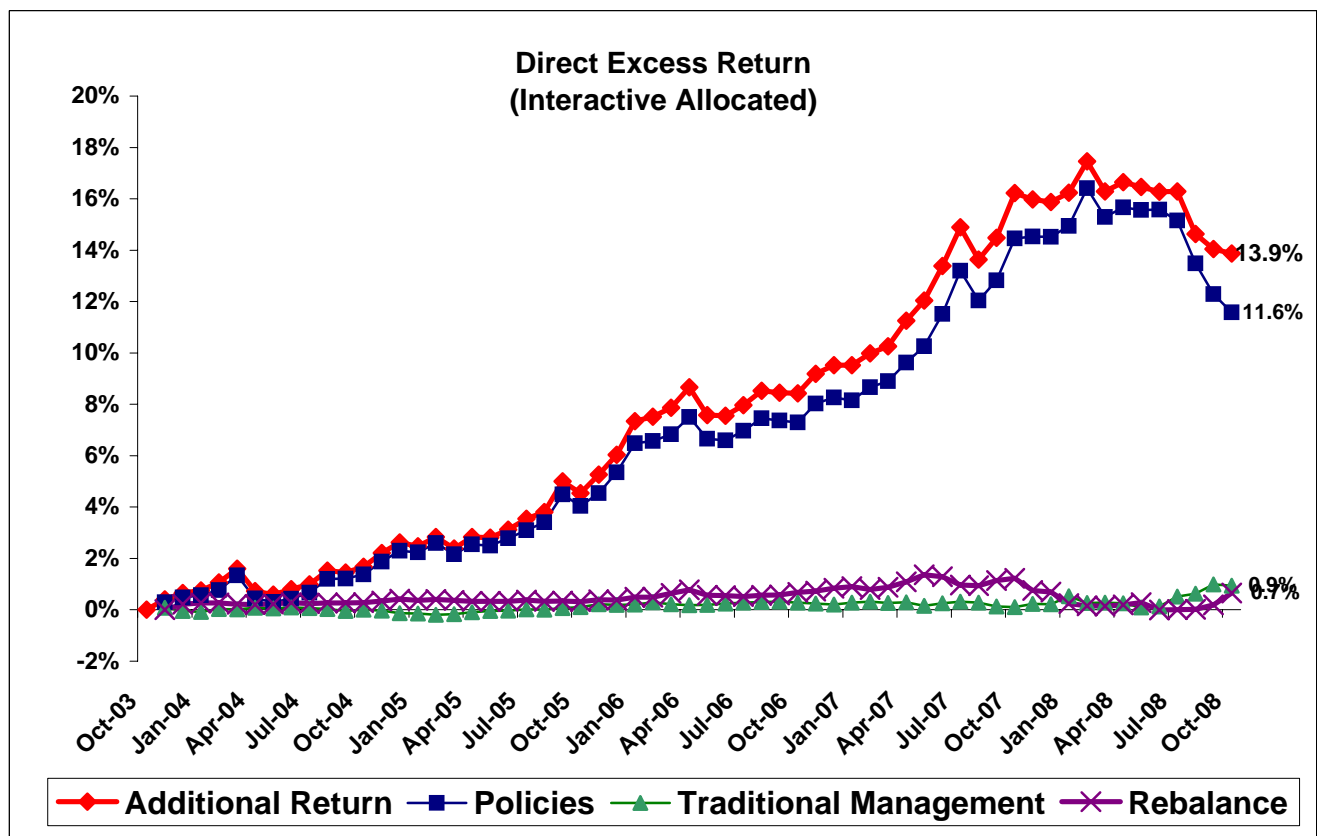
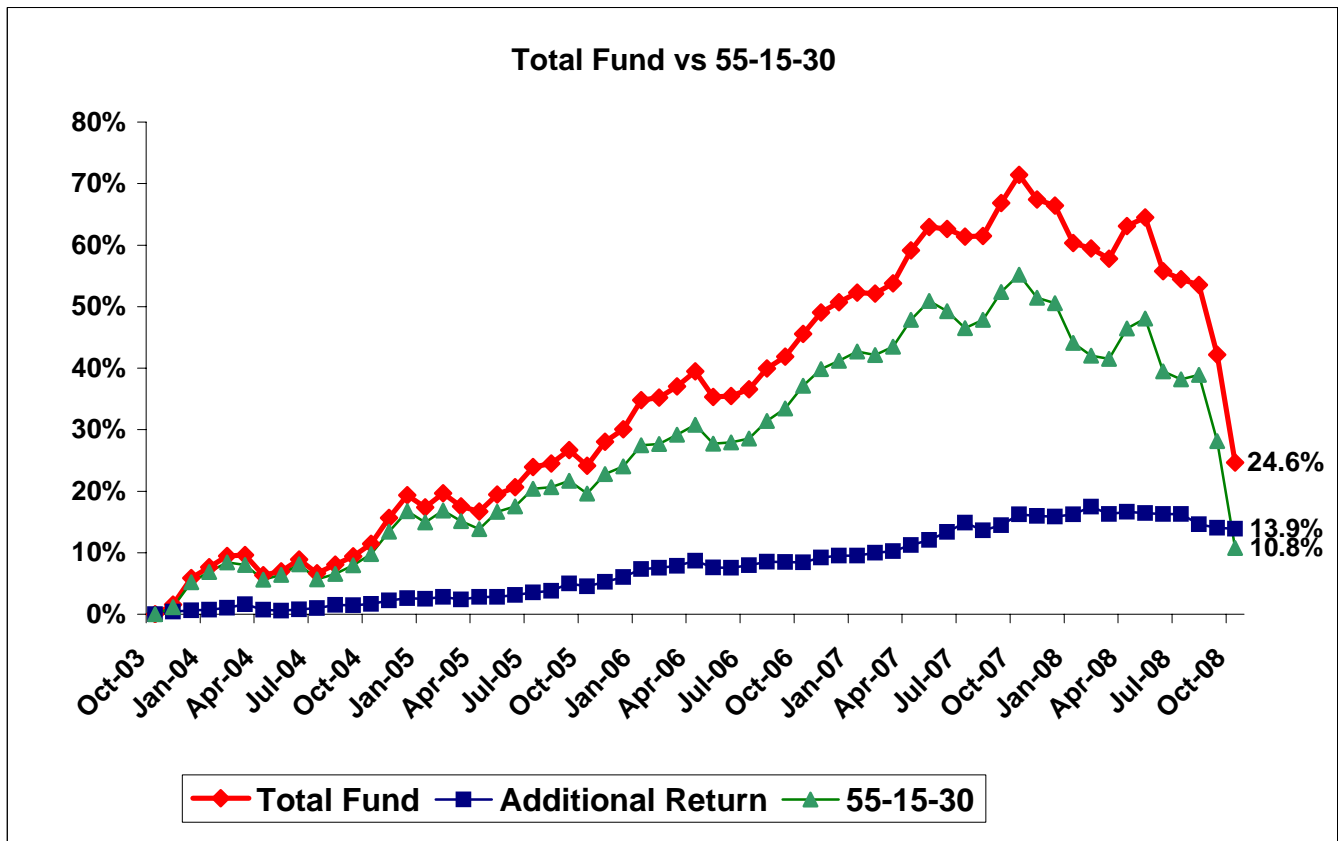


CASH HOLDINGS BY ASSET TYPE
% OF TOTAL CASH

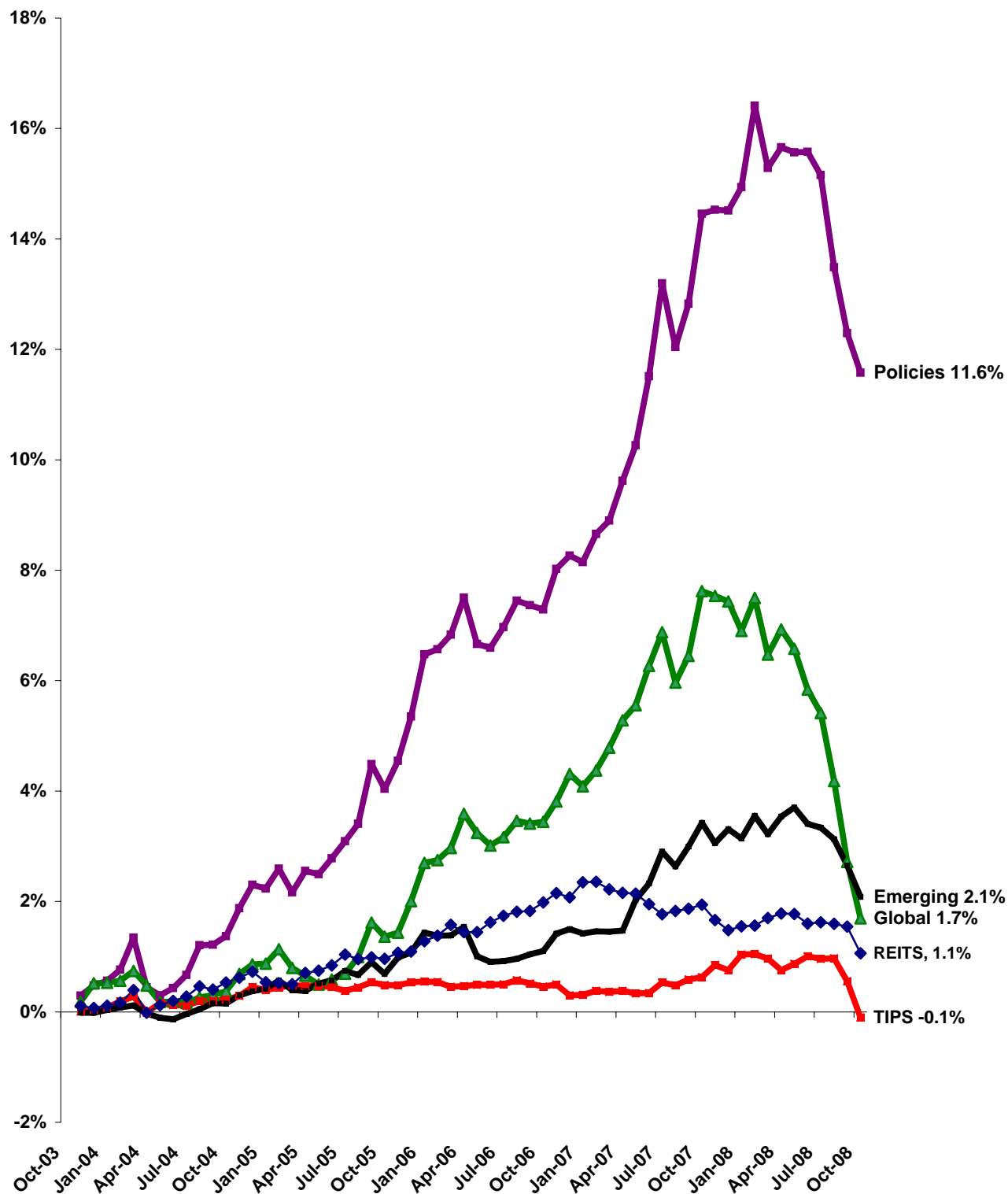


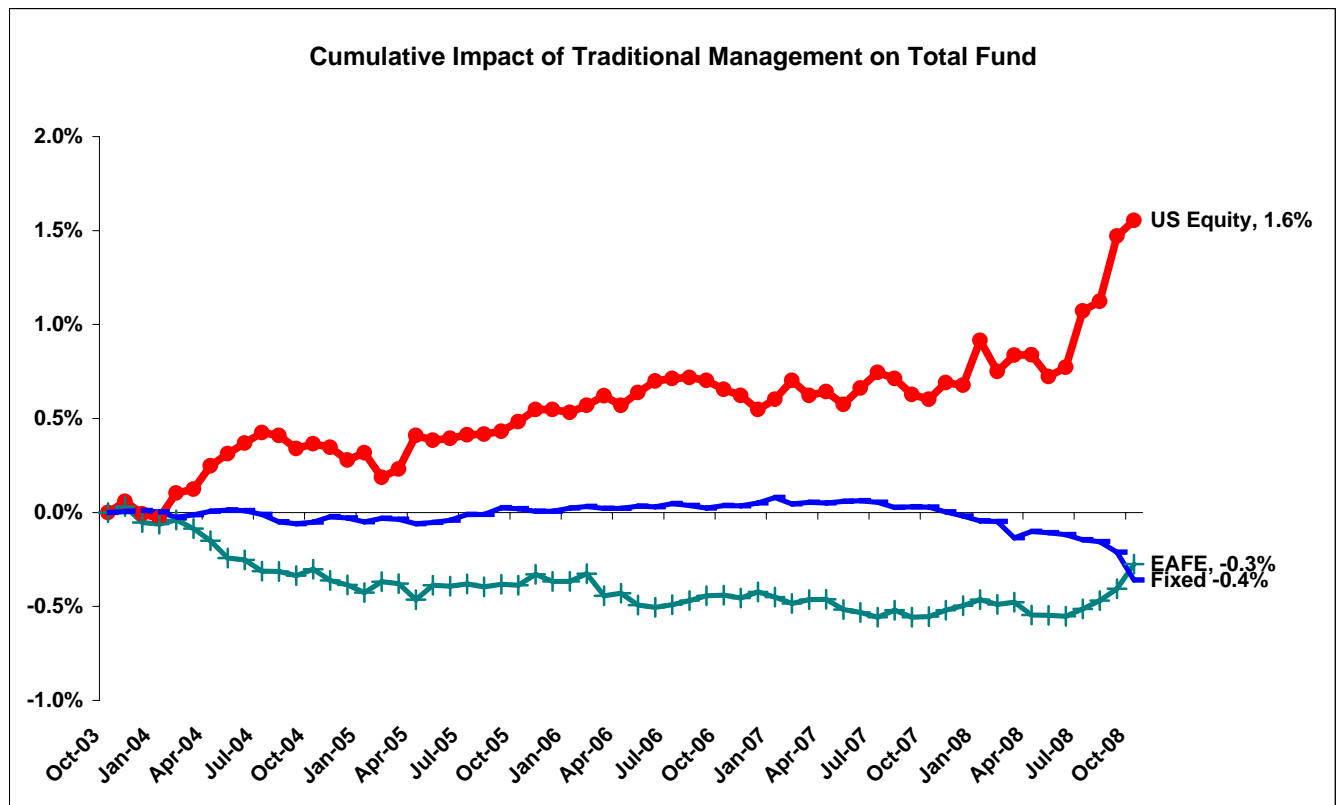
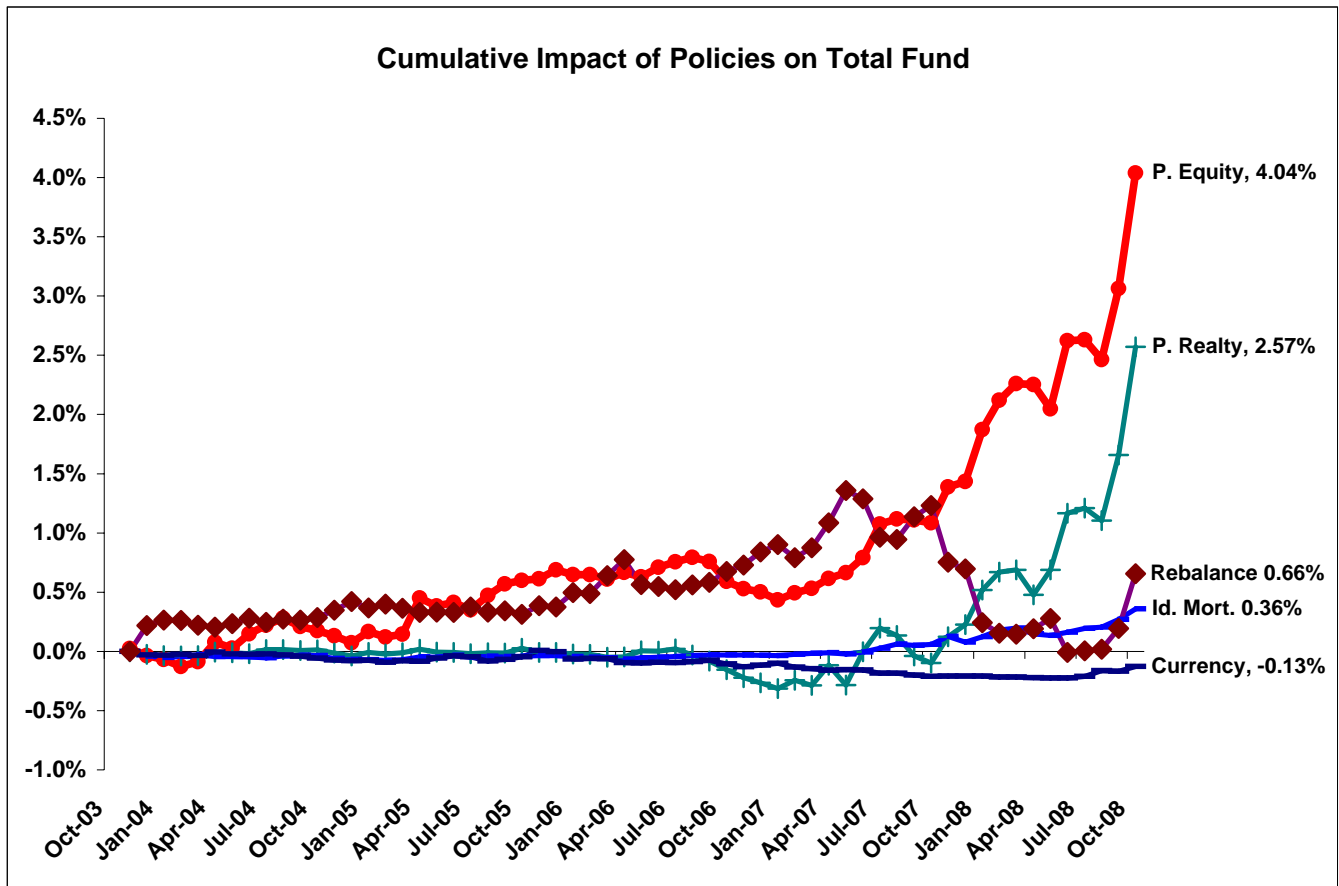
CASH HOLDINGS BY MANAGER
% OF TOTAL IN CASH

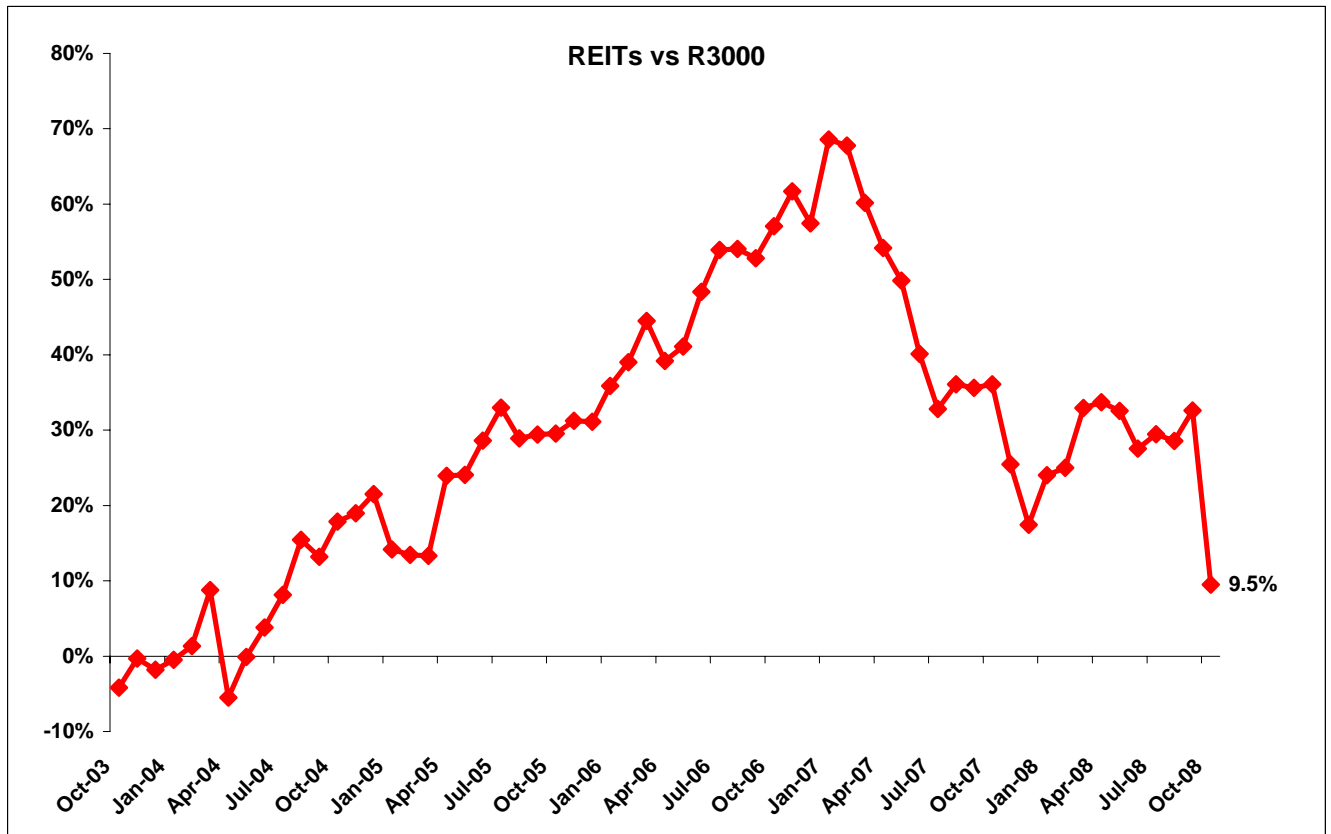


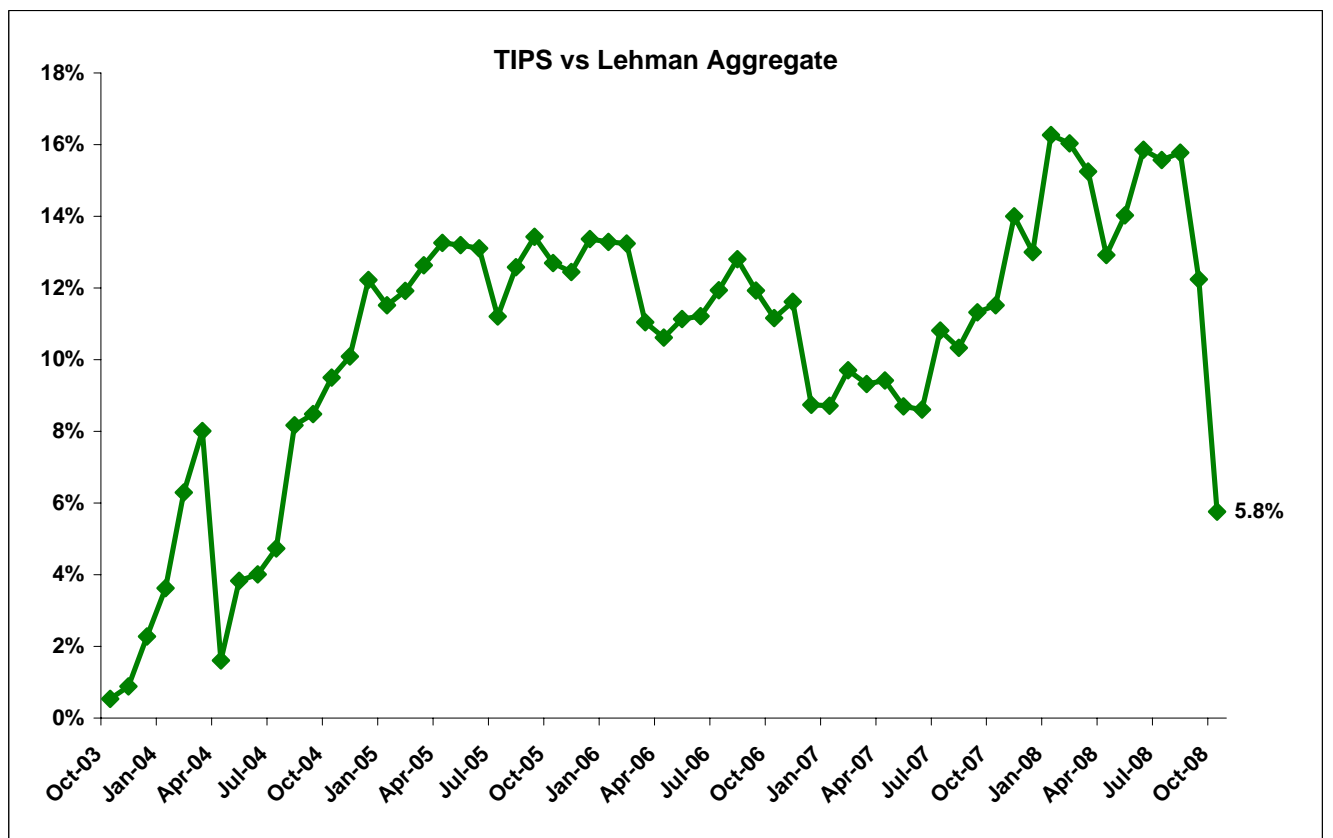
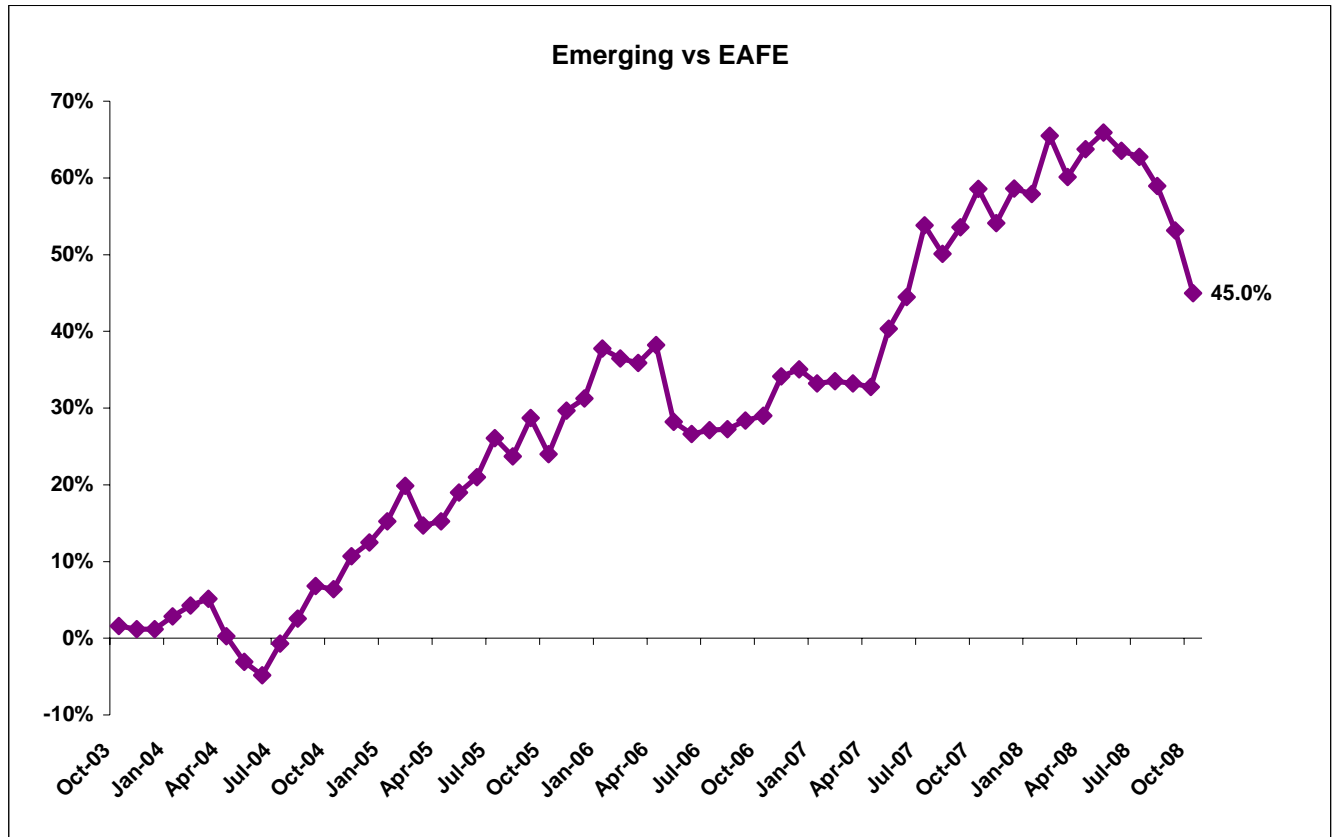


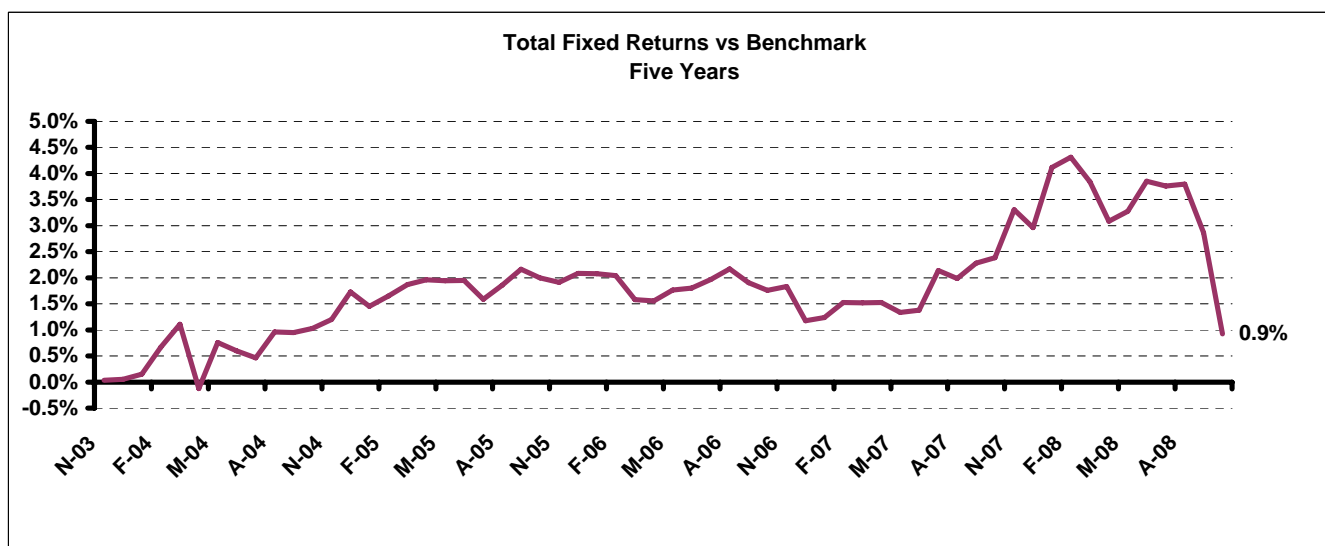
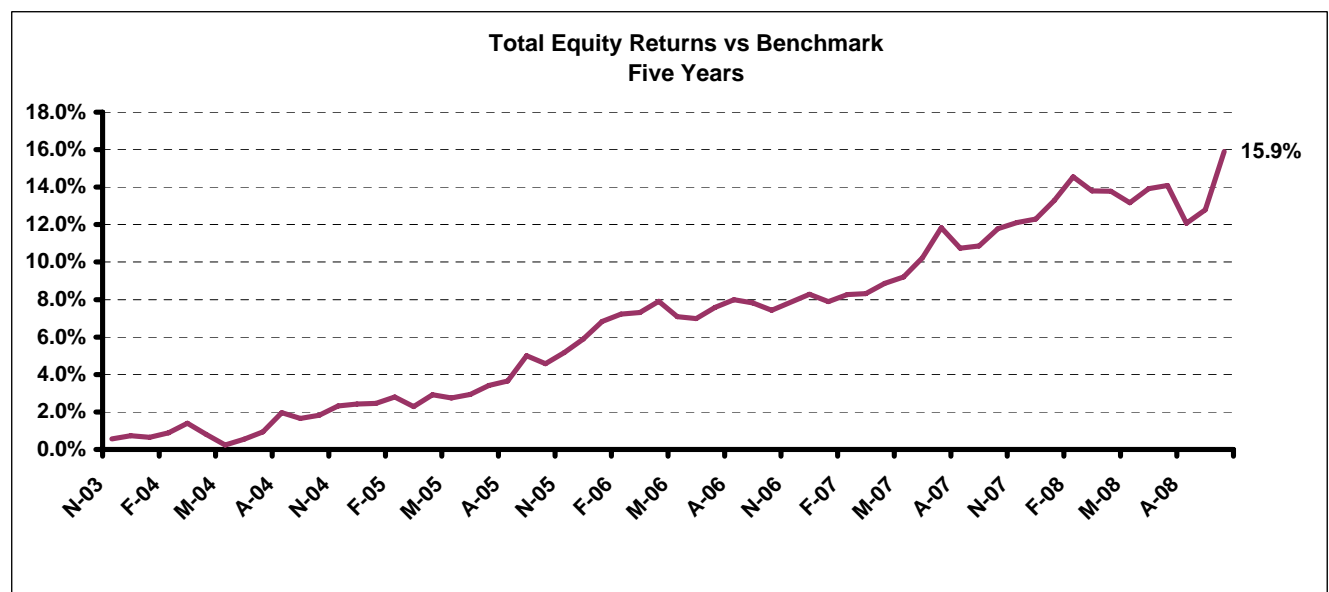
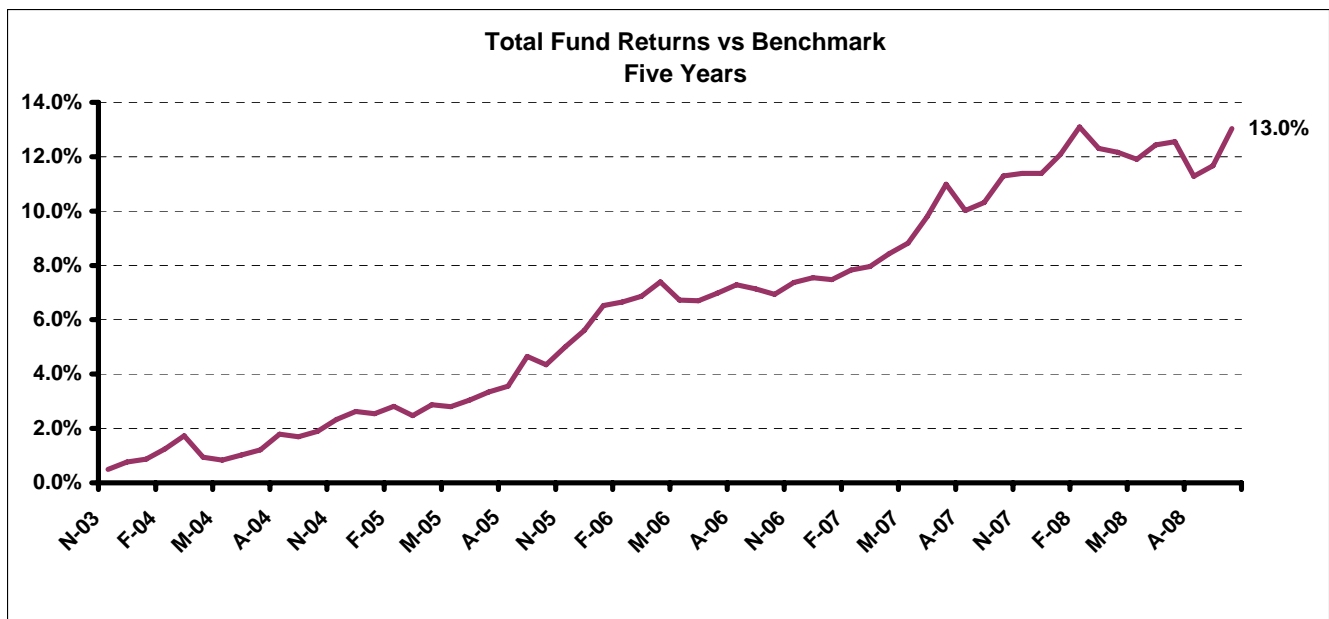
Cumulative Impact of Major Policies on Total Fund

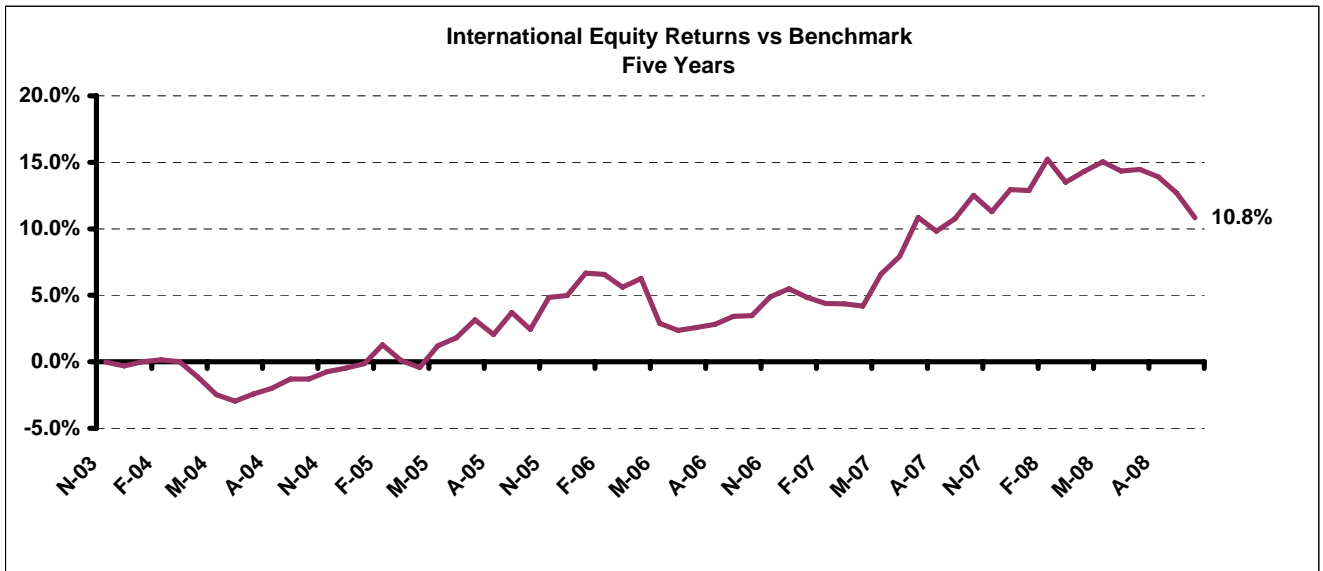
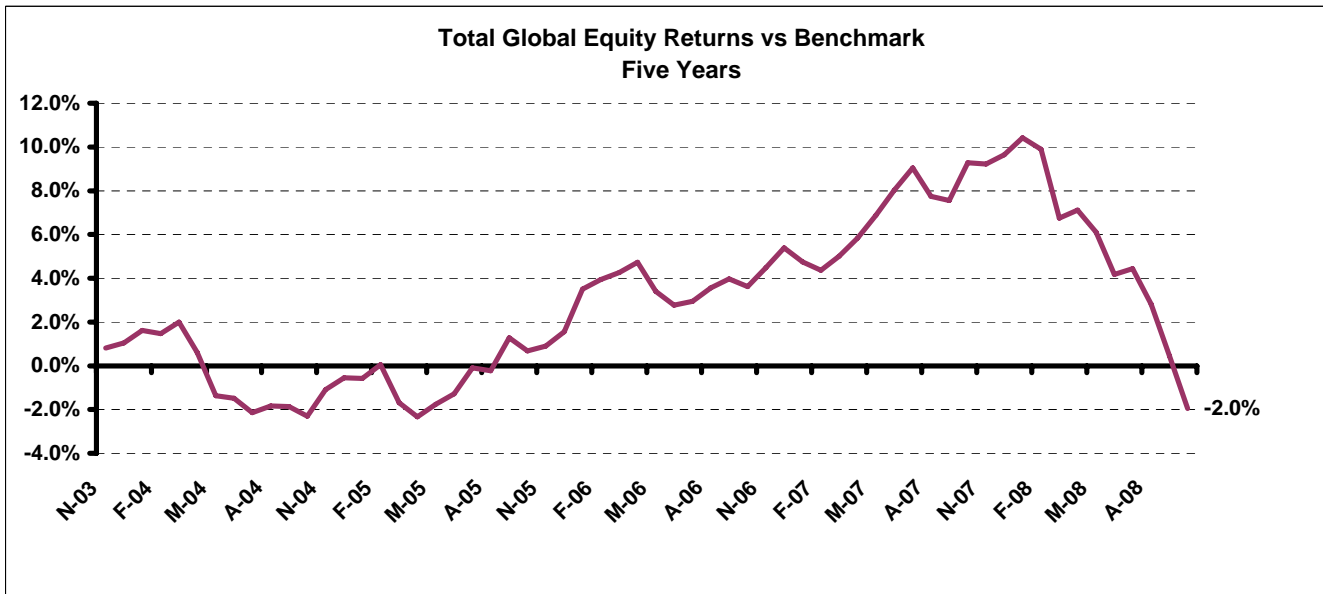
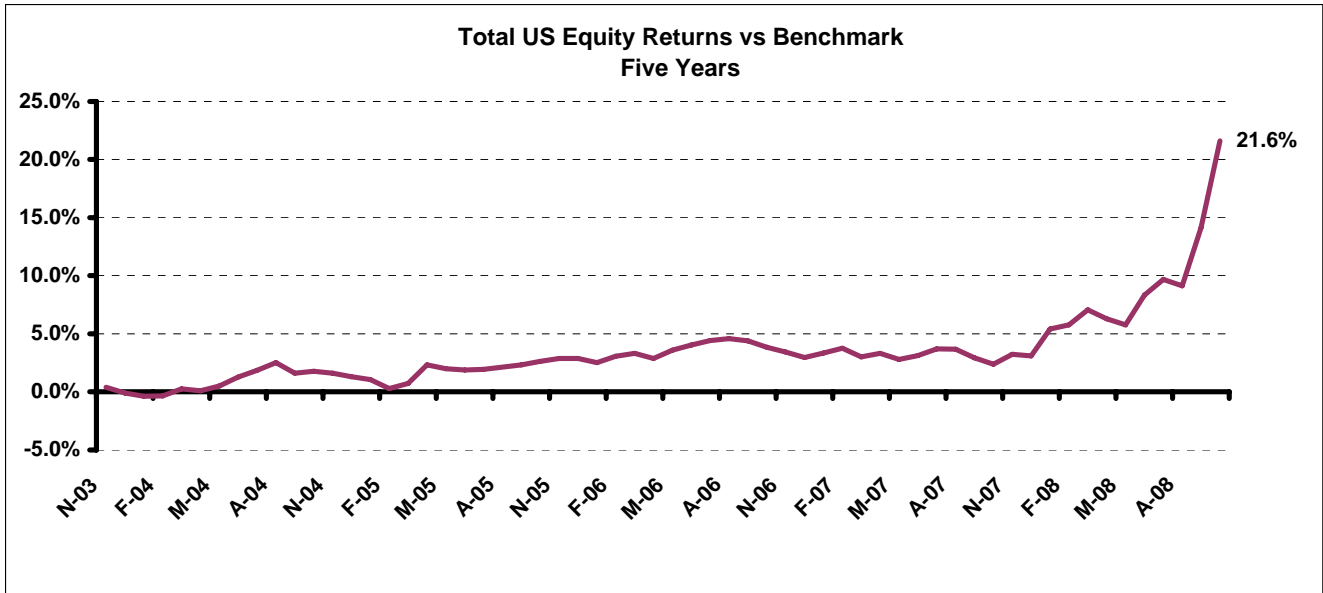


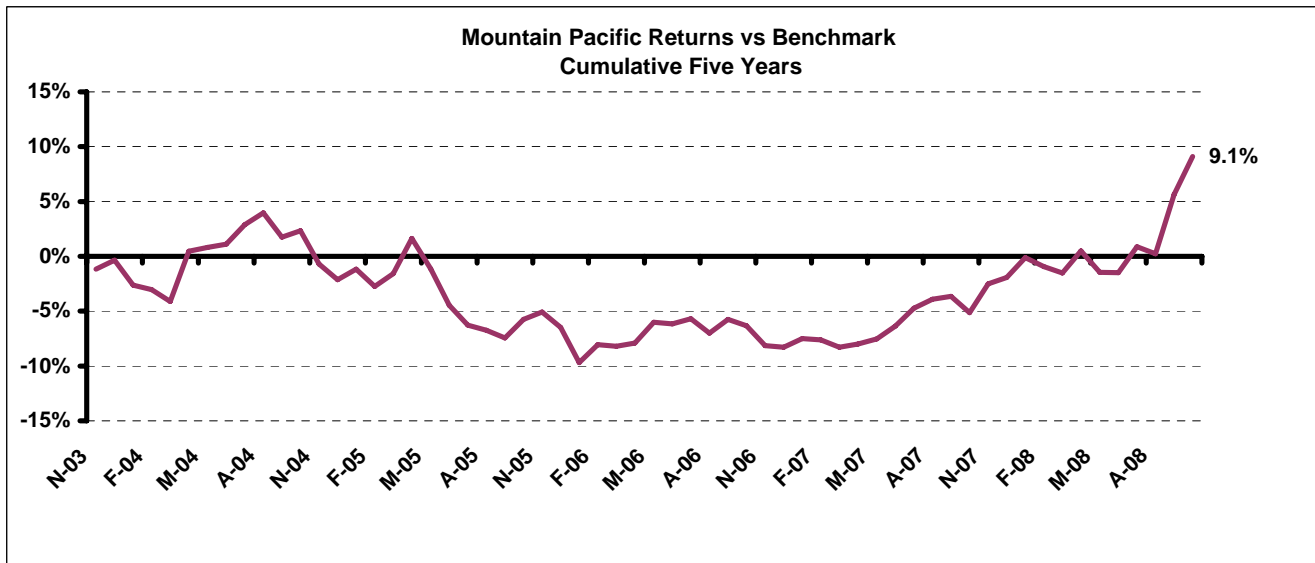
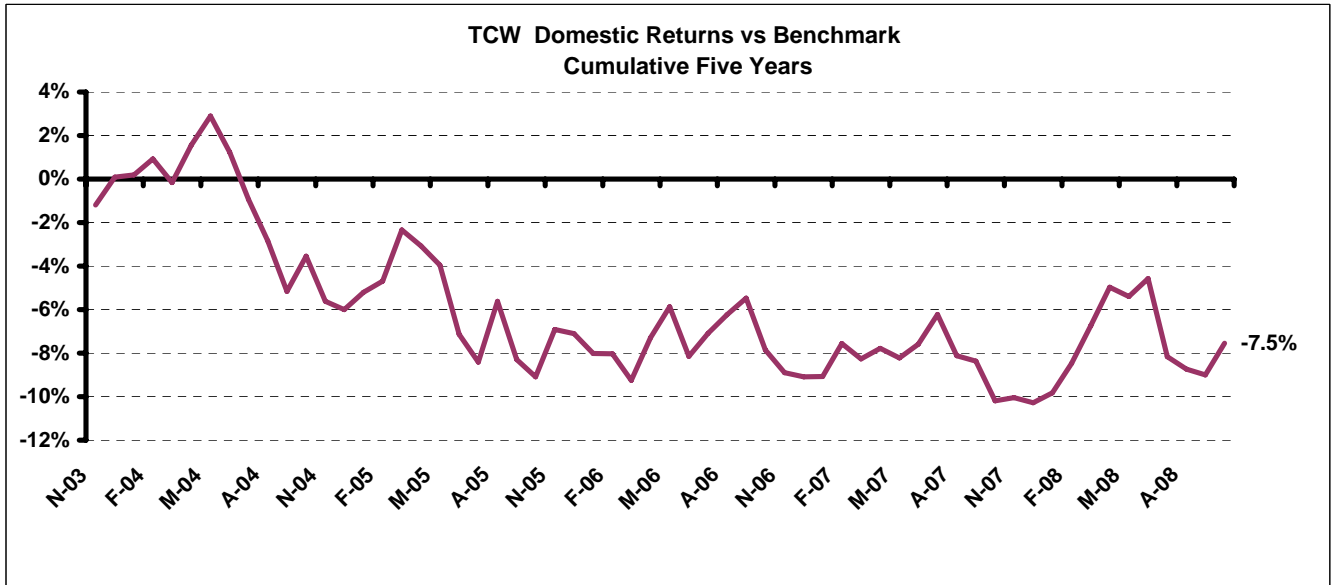
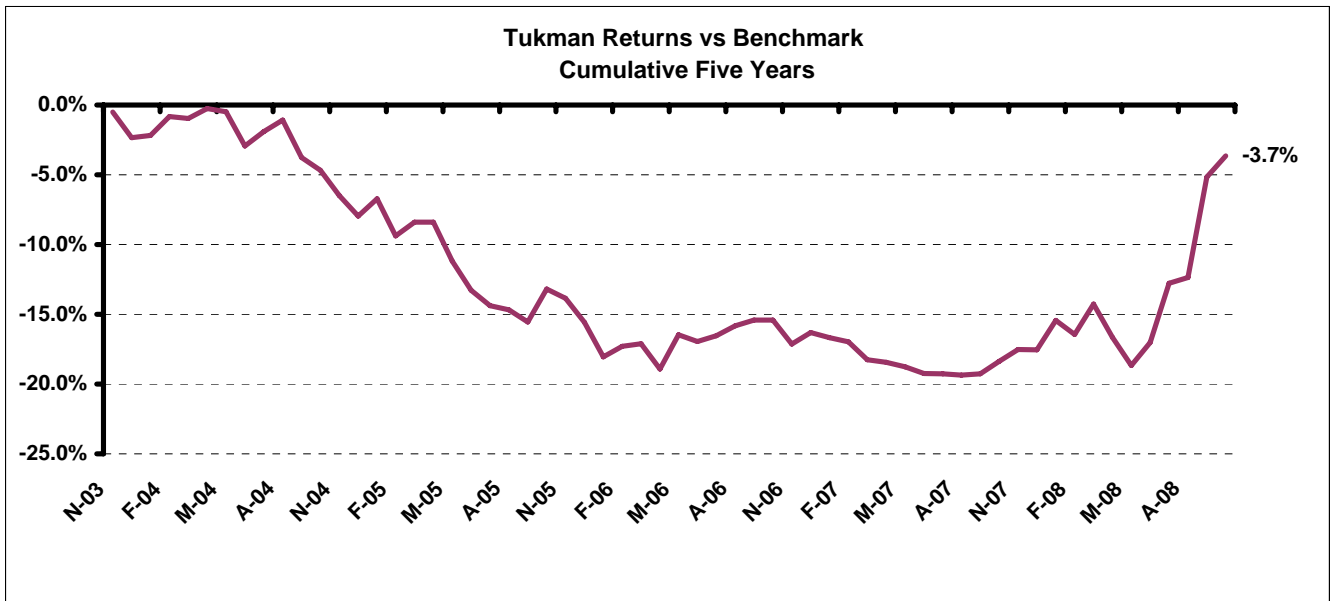




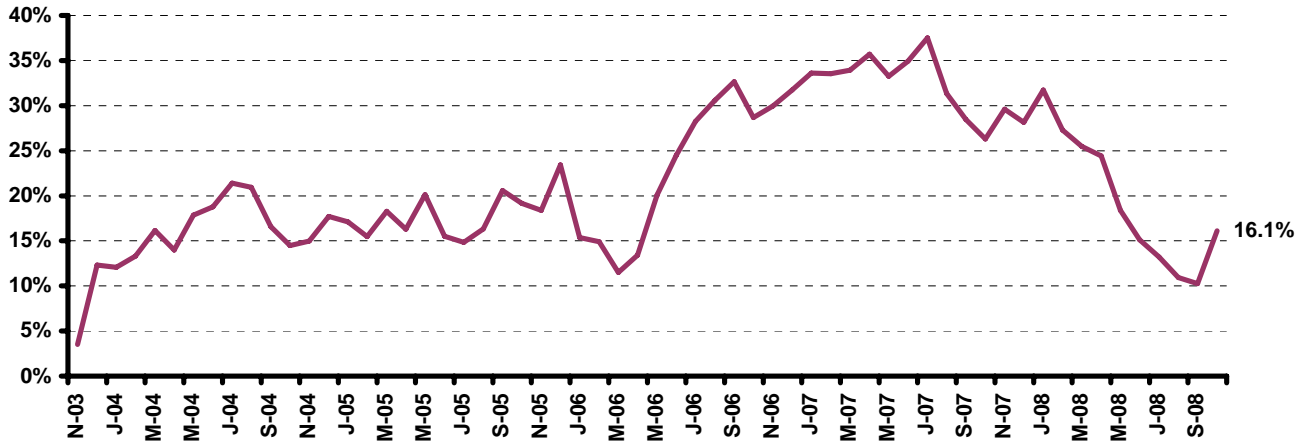




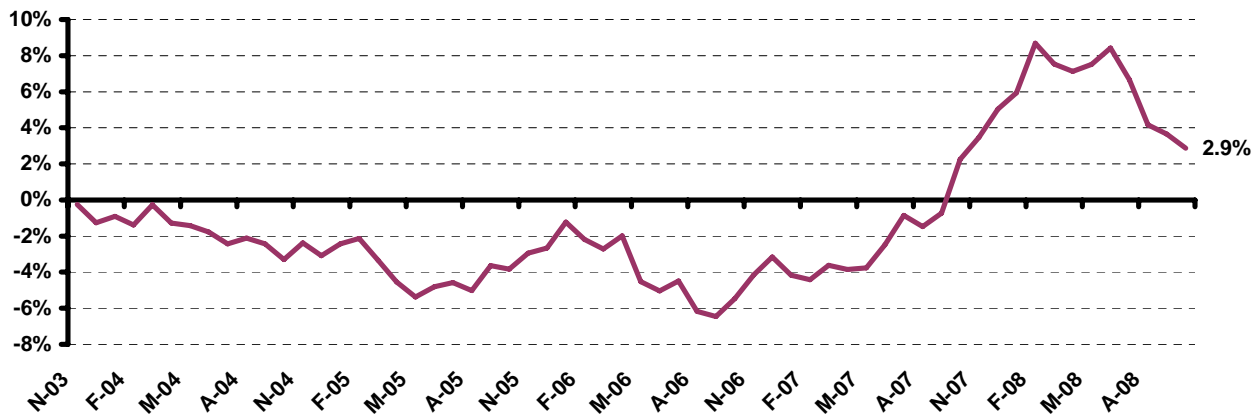




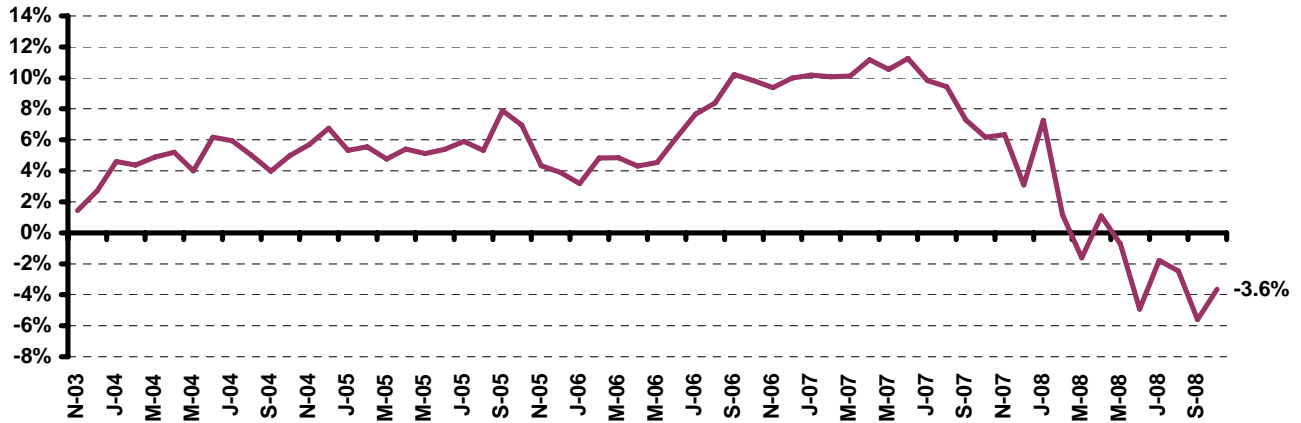
**D. Smith Returns vs Benchmark
Cumulative Five Years**



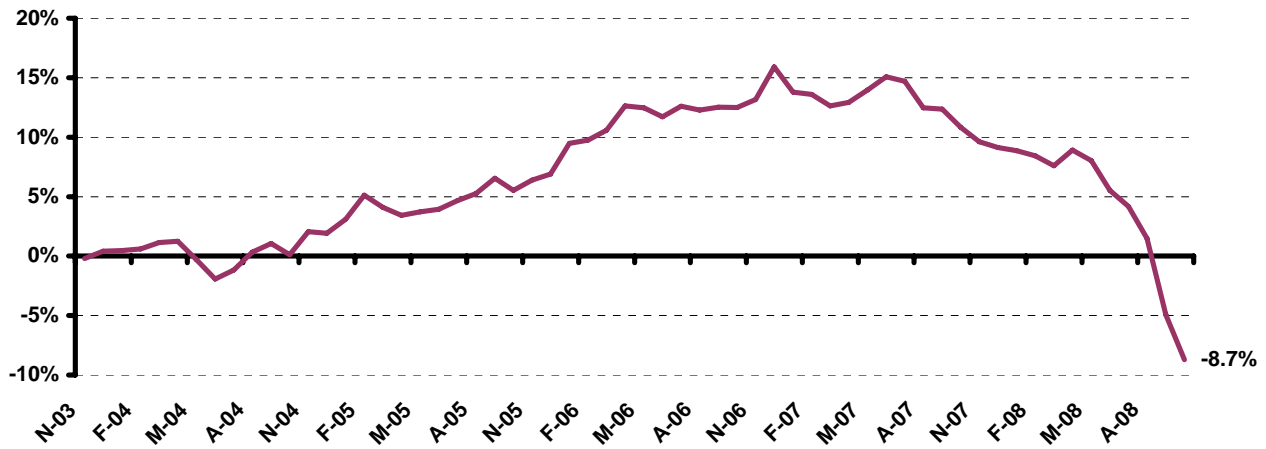
**Barings Equity Returns vs Benchmark
Cumulative Five Years**



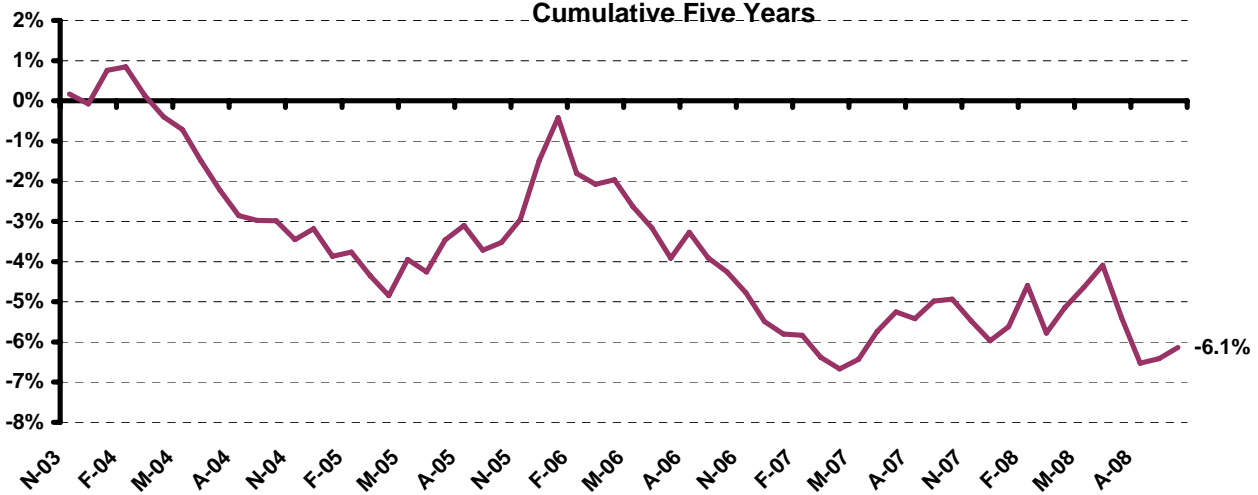
**Brandes Equity Returns vs Benchmark
Cumulative Five Years**



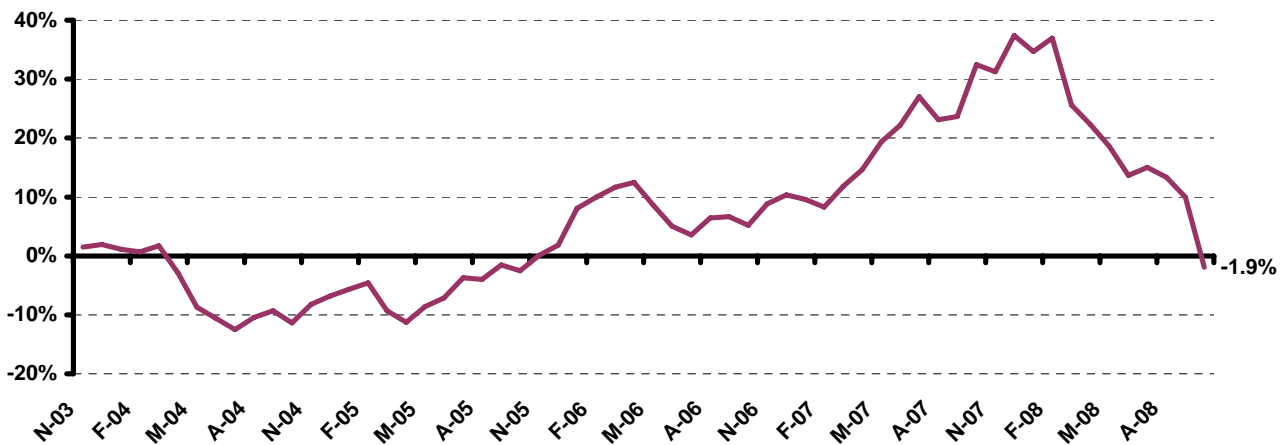
**Bernstein Global Equity Returns vs Benchmark
Cumulative Five Years**

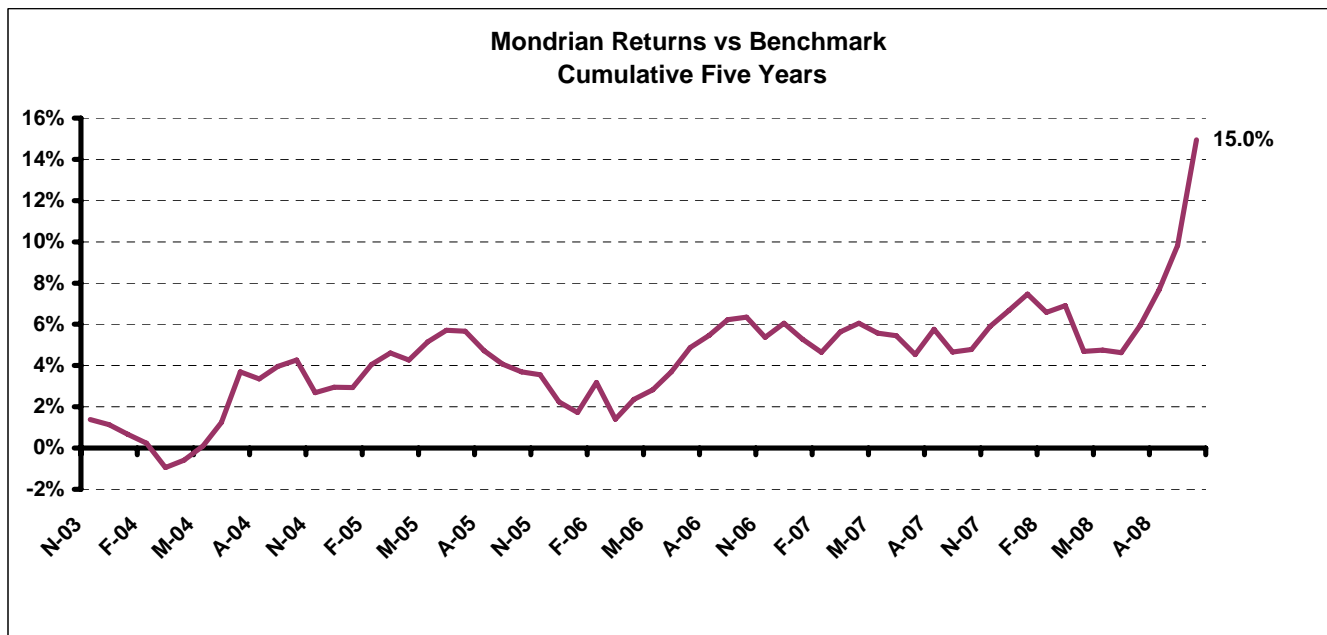
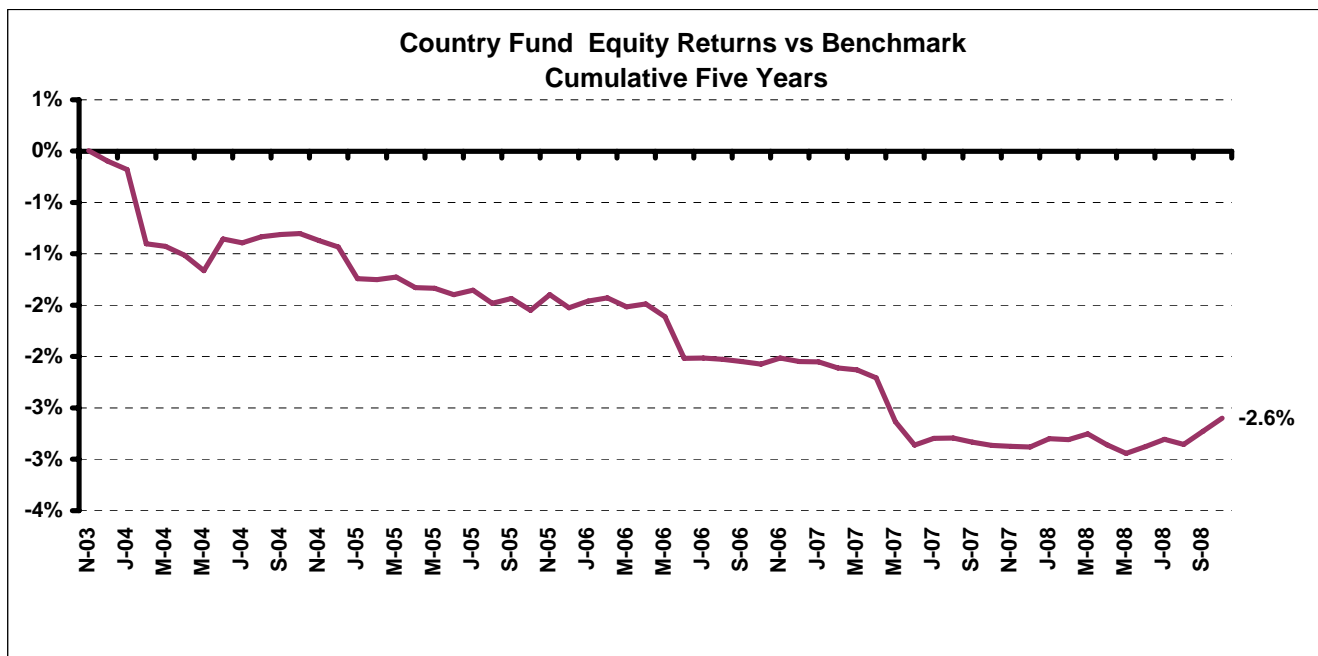


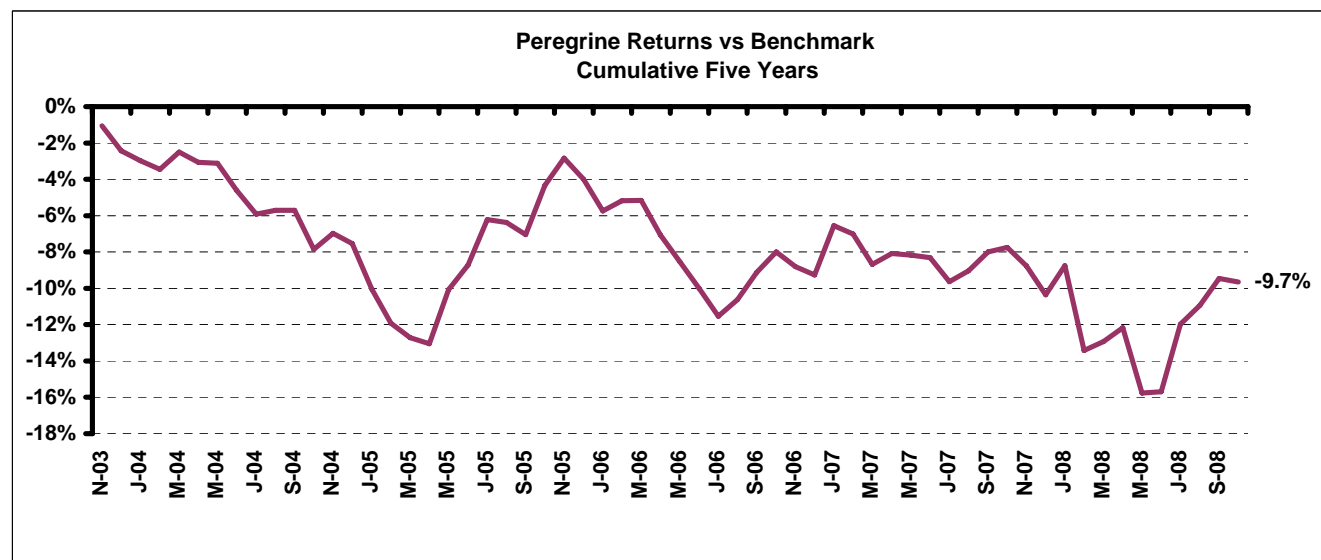
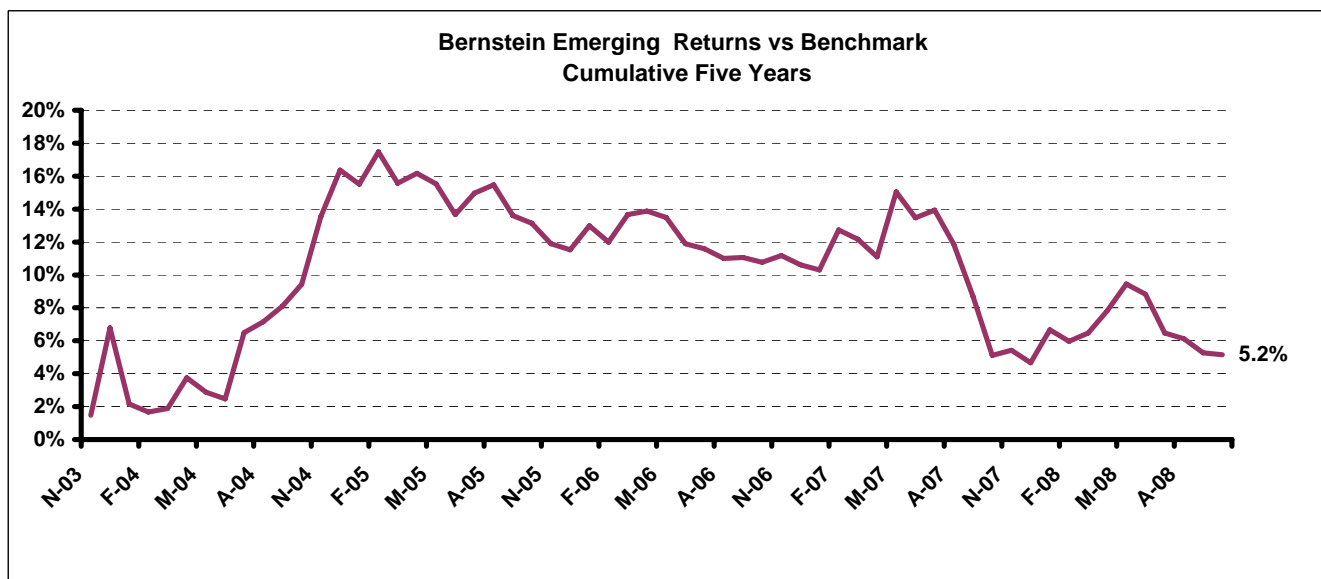
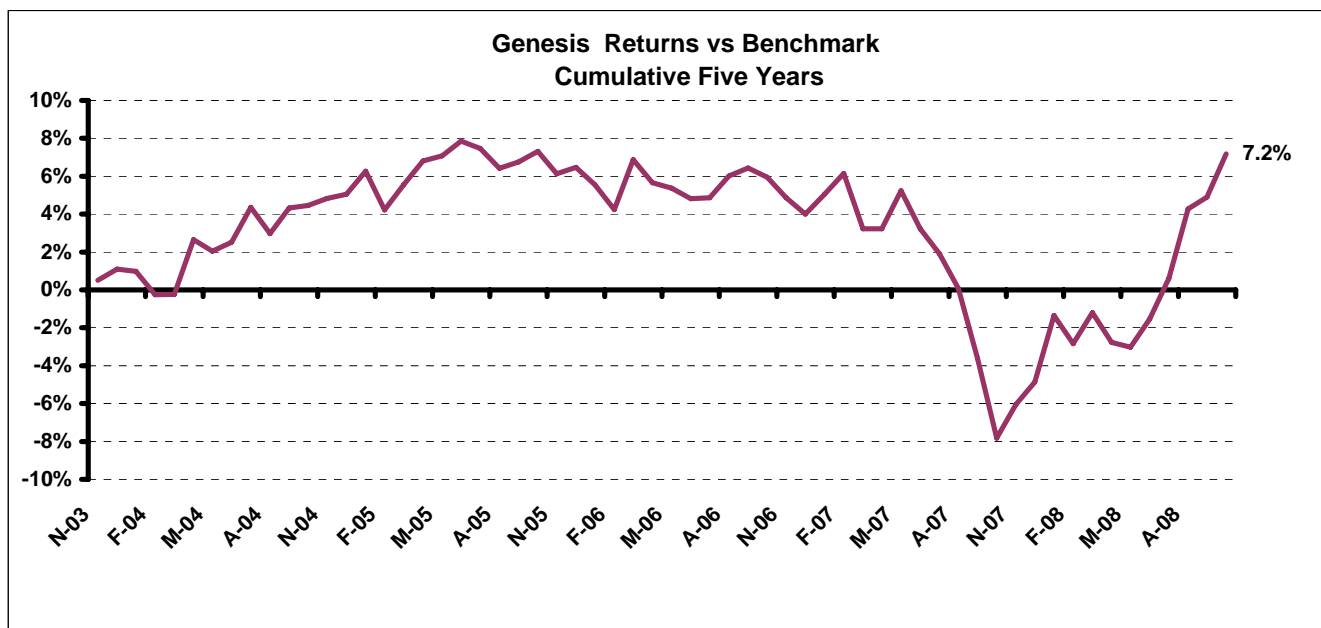
**Cap Guardian
Returns vs Benchmark
Cumulative Five Years**



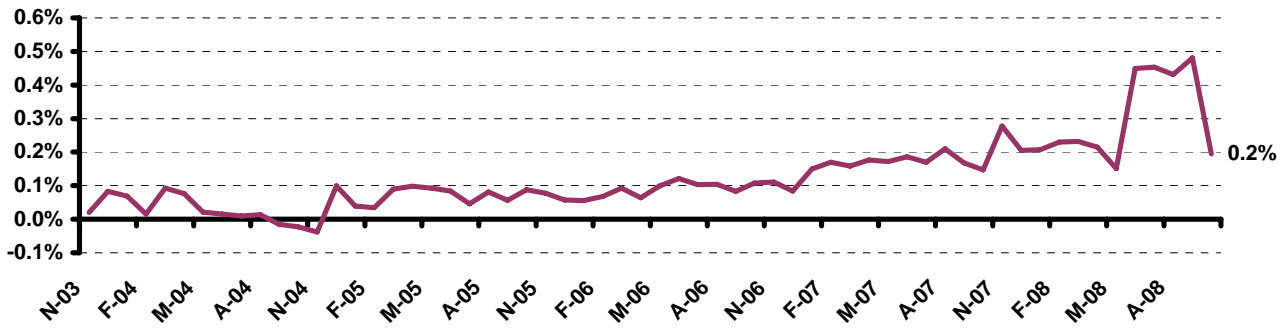
**Zesiger Equity Returns vs Benchmark
Cumulative Five Years**



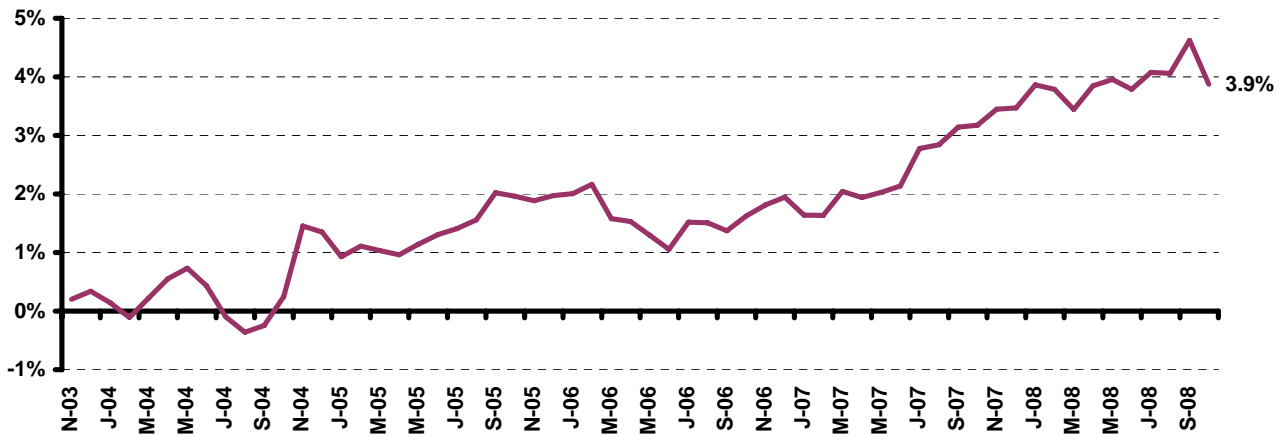




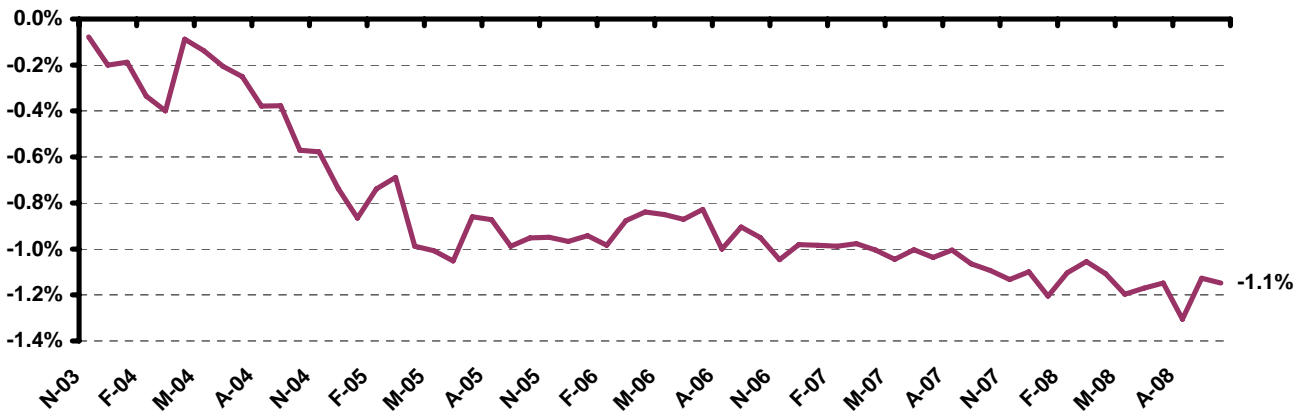
State Street Returns vs Benchmark
Cumulative Five Years

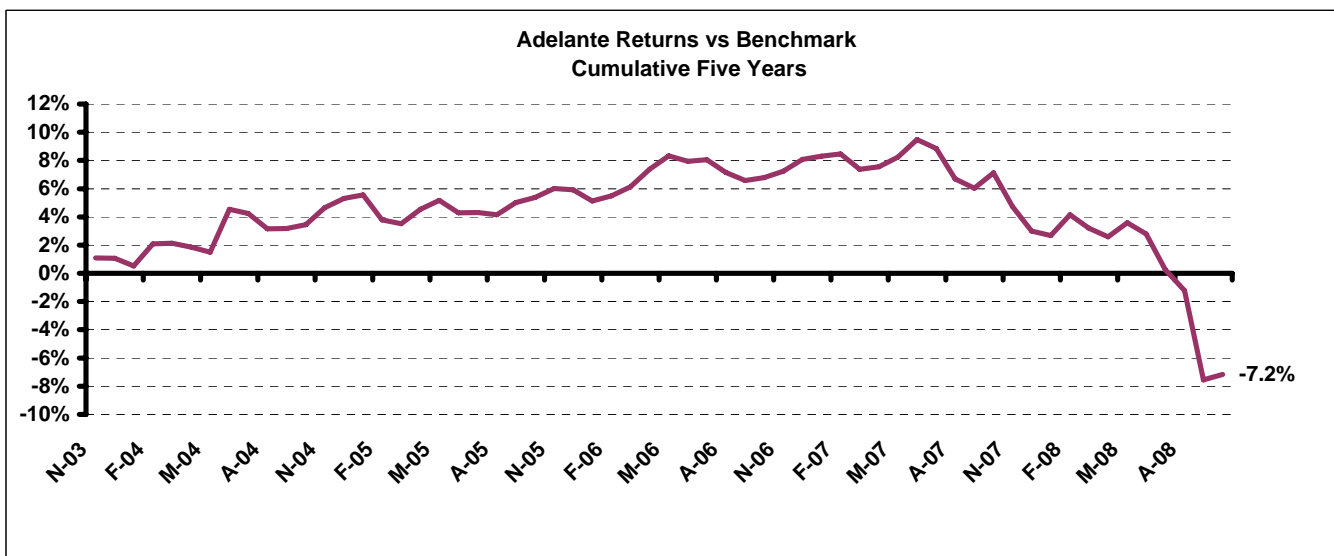
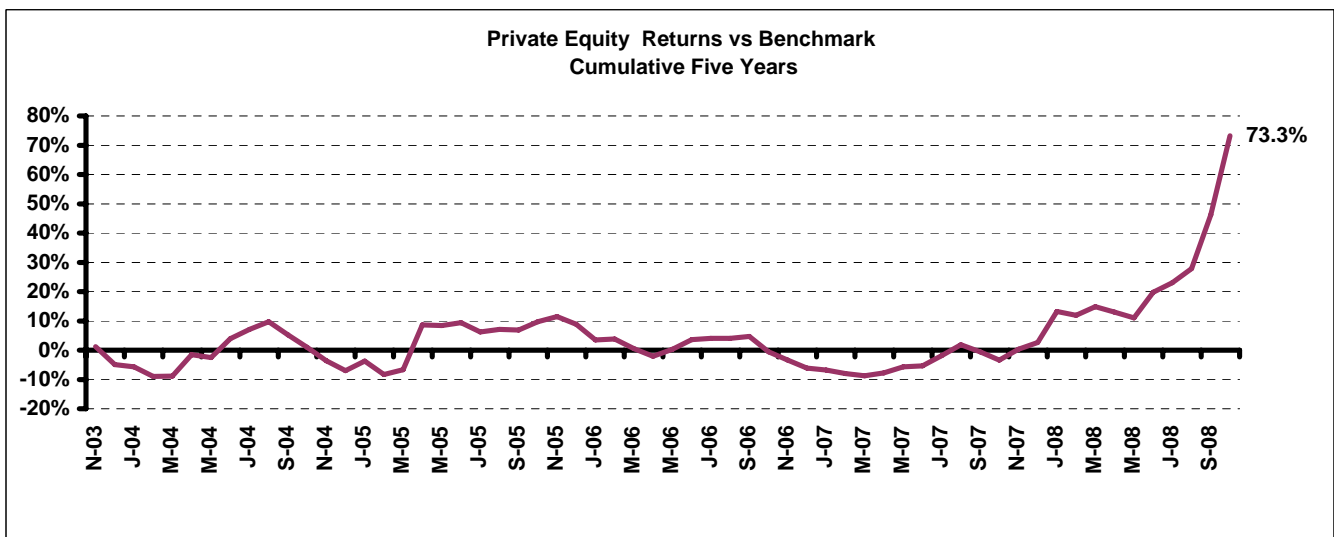
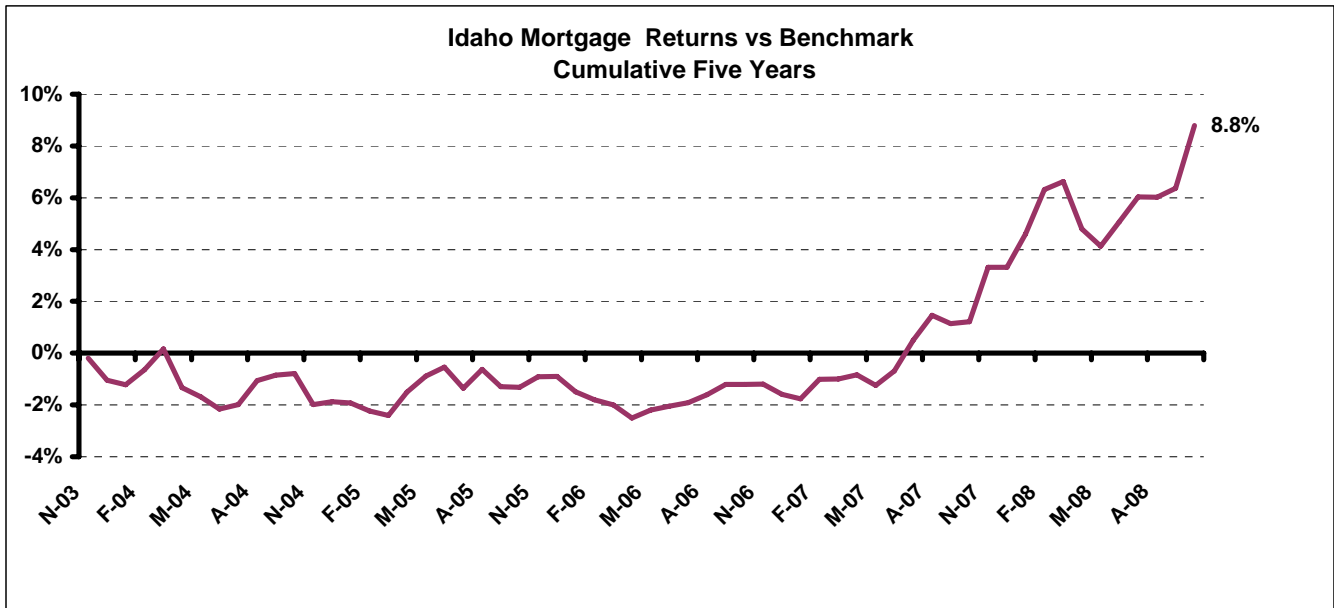


Barings Fixed Returns vs Benchmark
Cumulative Five Years

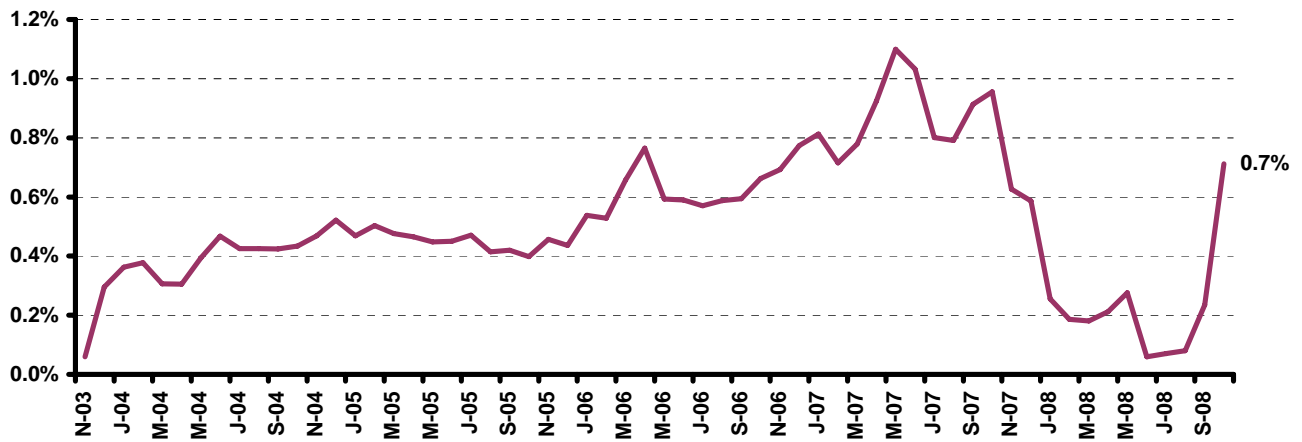


DBF MBS Returns vs Benchmark
Cumulative Five Years

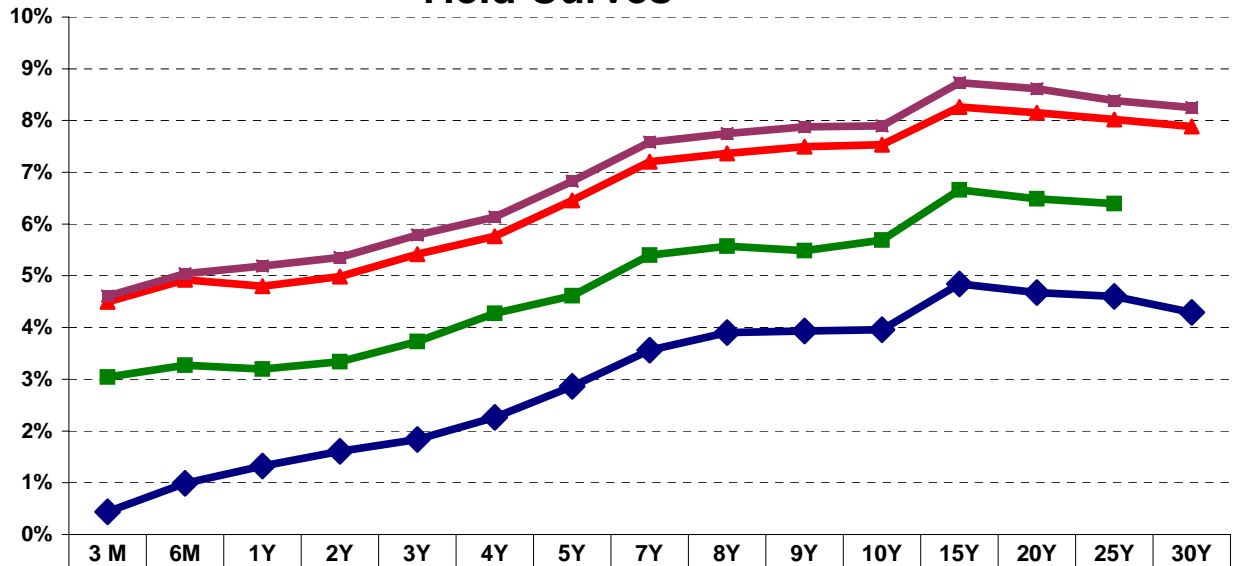




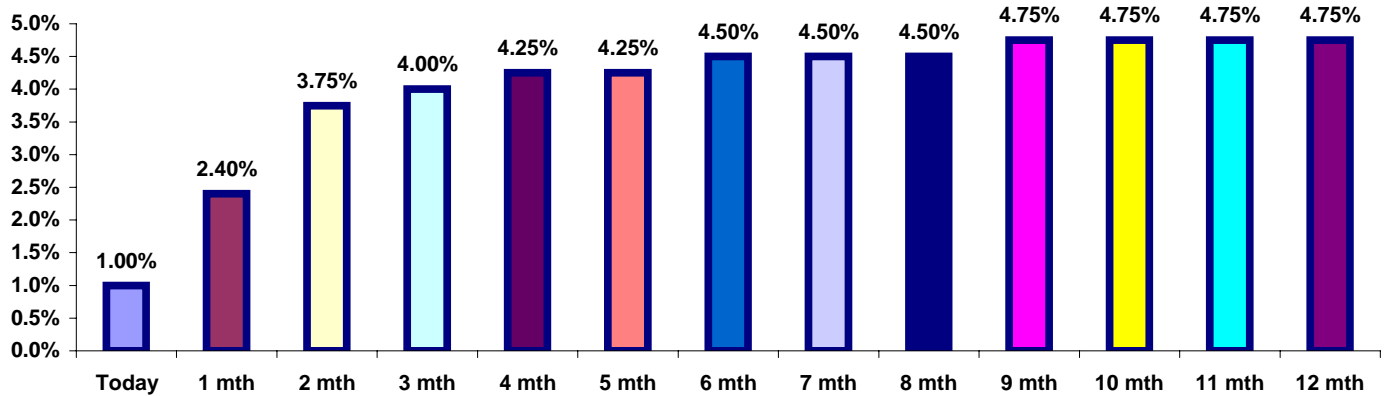
**Actual Allocation vs Asset Allocation
Cumulative Five Years**



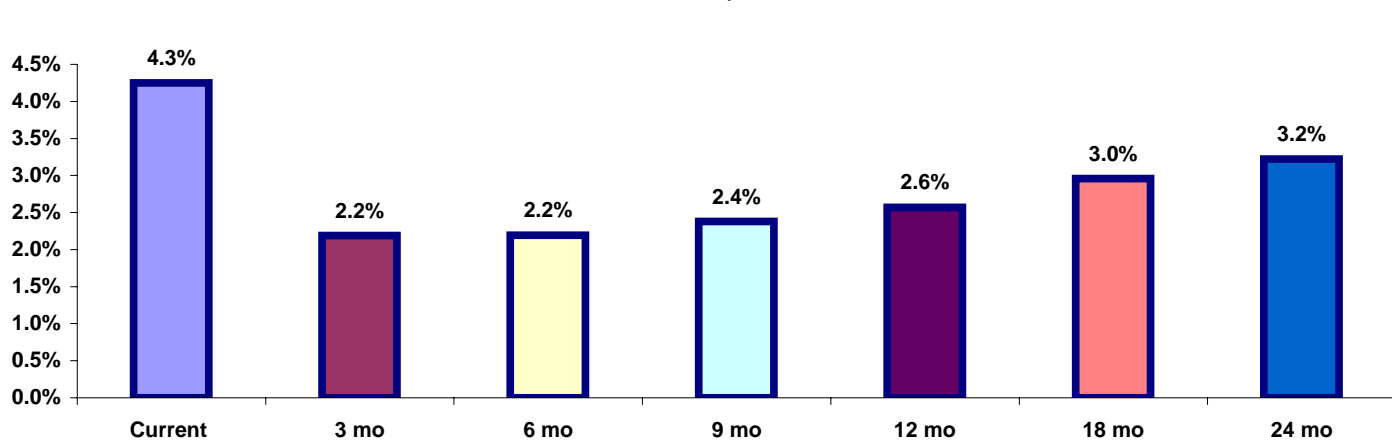
Yield Curves



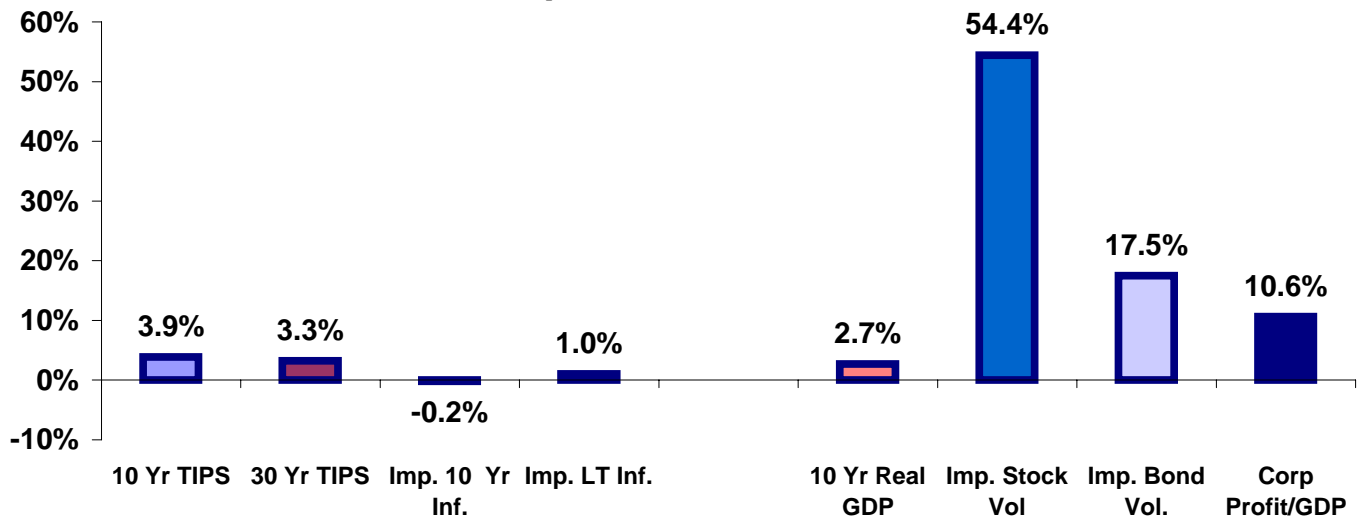
FED FUNDS FUTURES



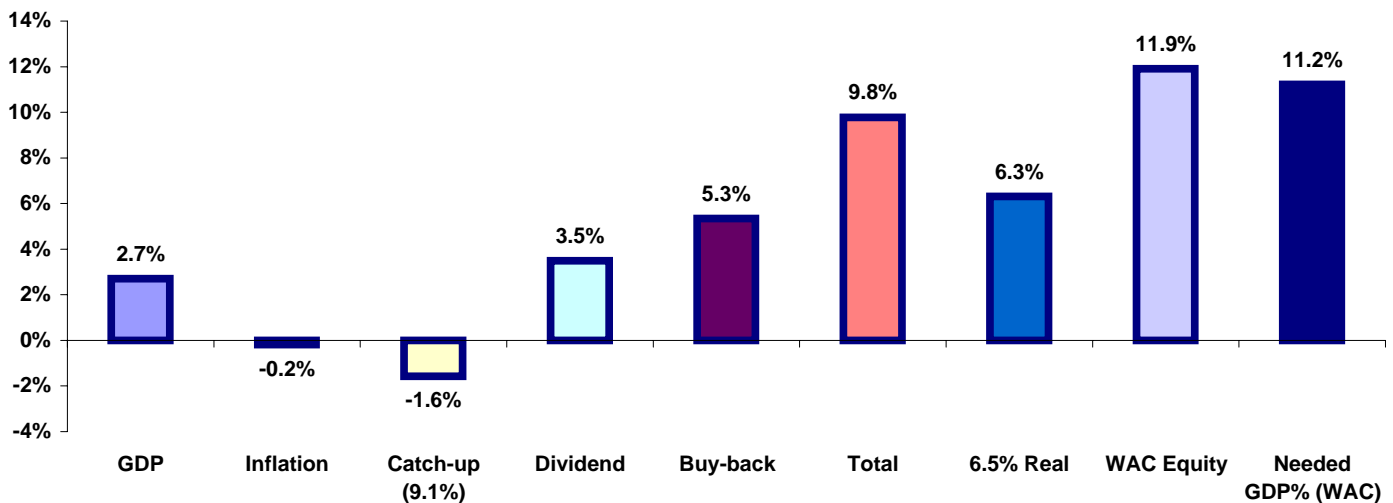
90 DAY EURO\$ FUTURES



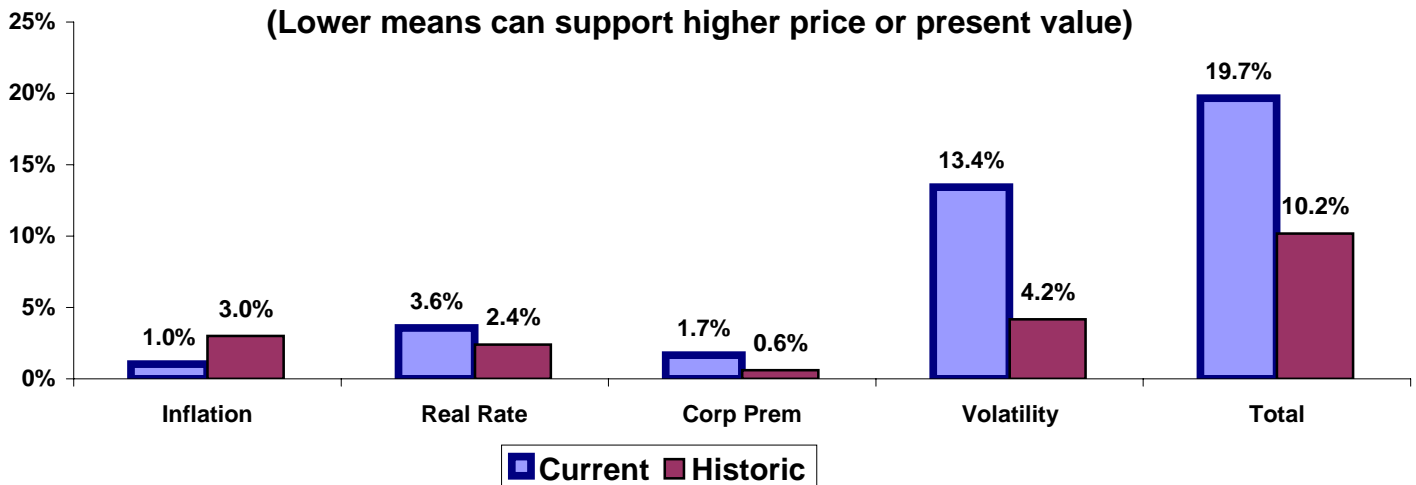
Real Yields, Implied Inflation and Misc. Data

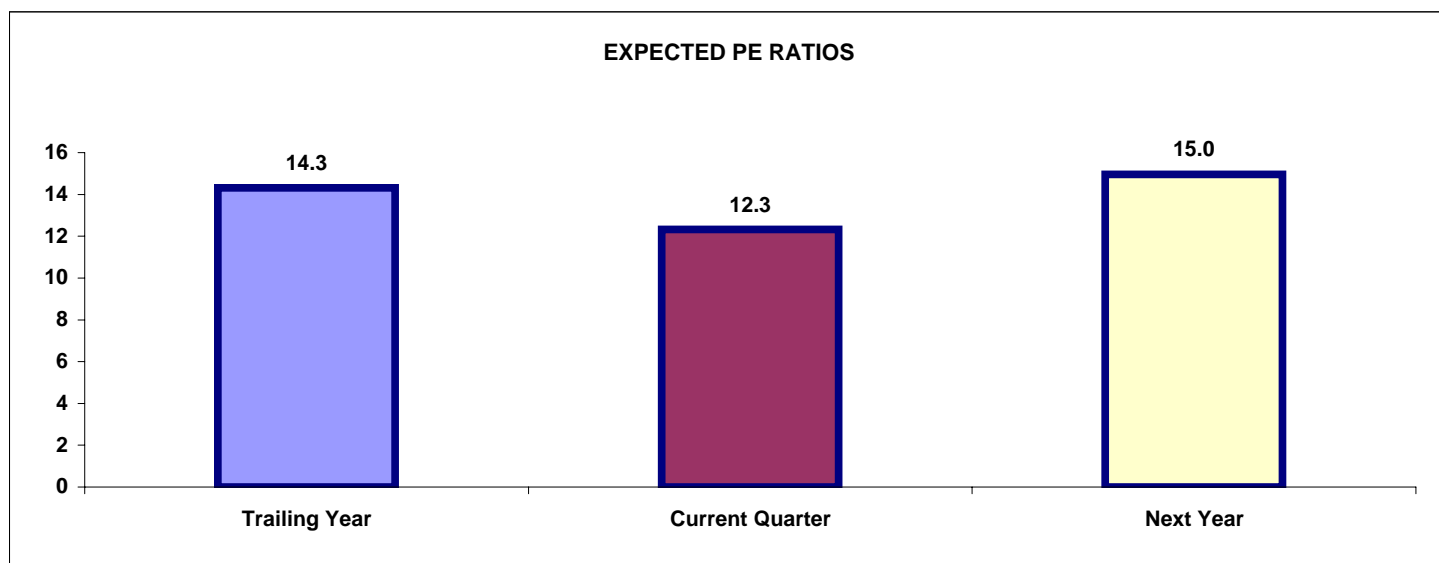
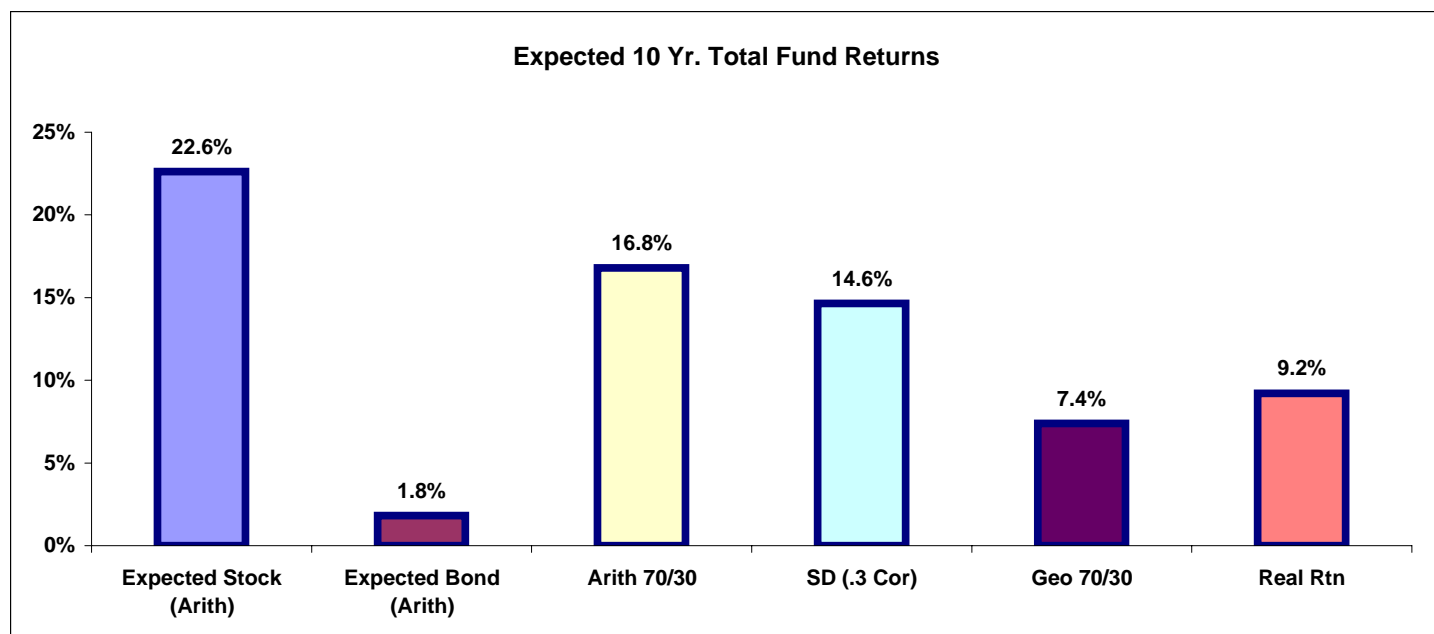
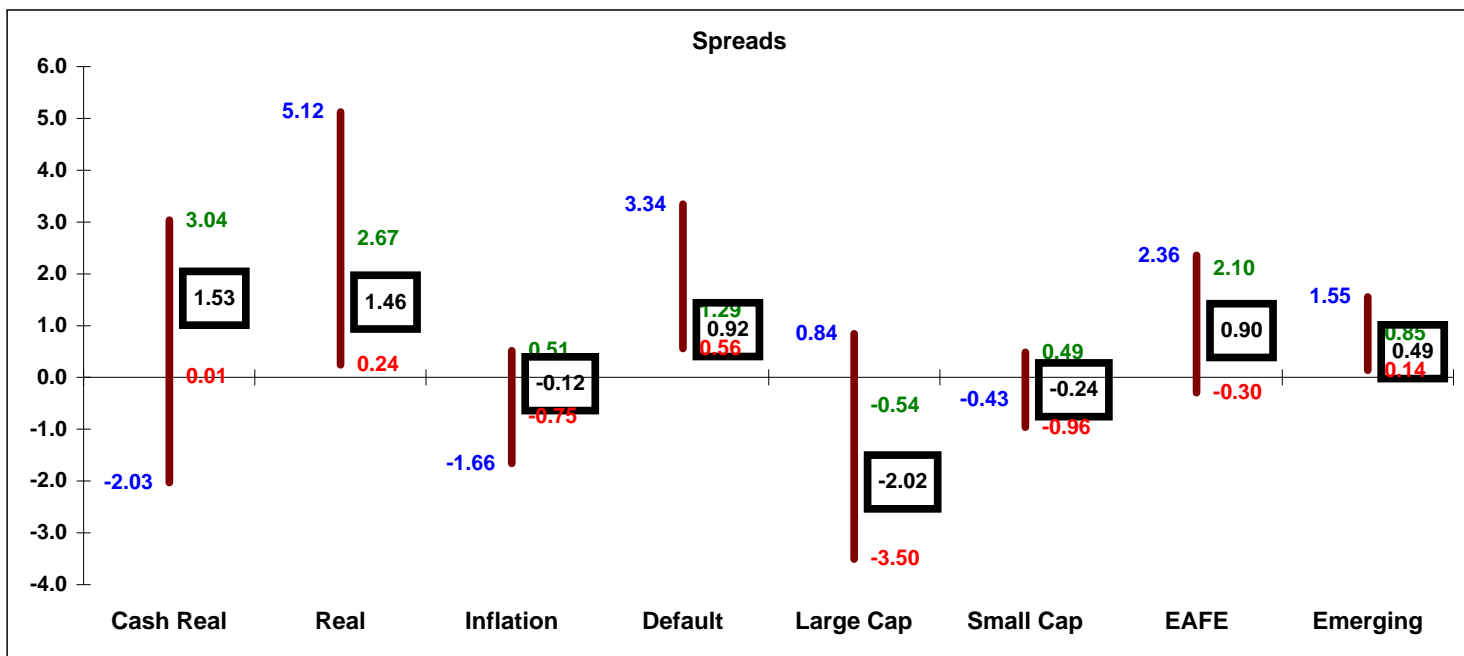


Expected 10 Year Stock Return and Sources (Current P/E remains the same)

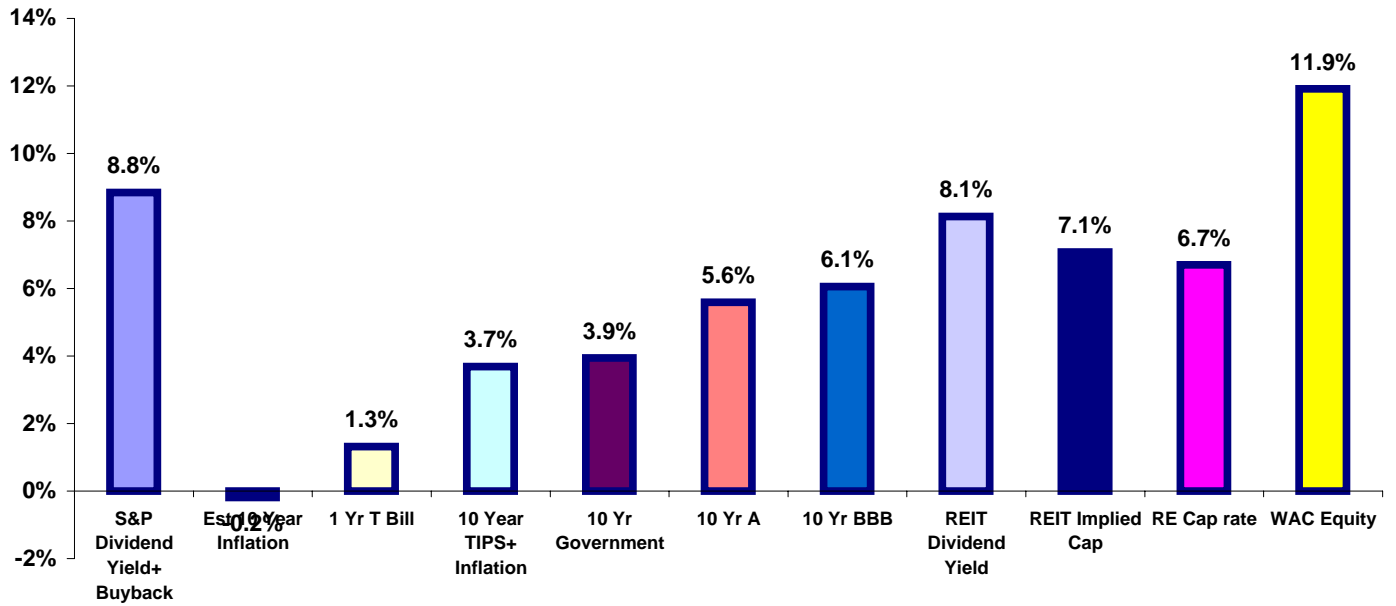


Needed Equity Discount Rate (k) (Lower means can support higher price or present value)

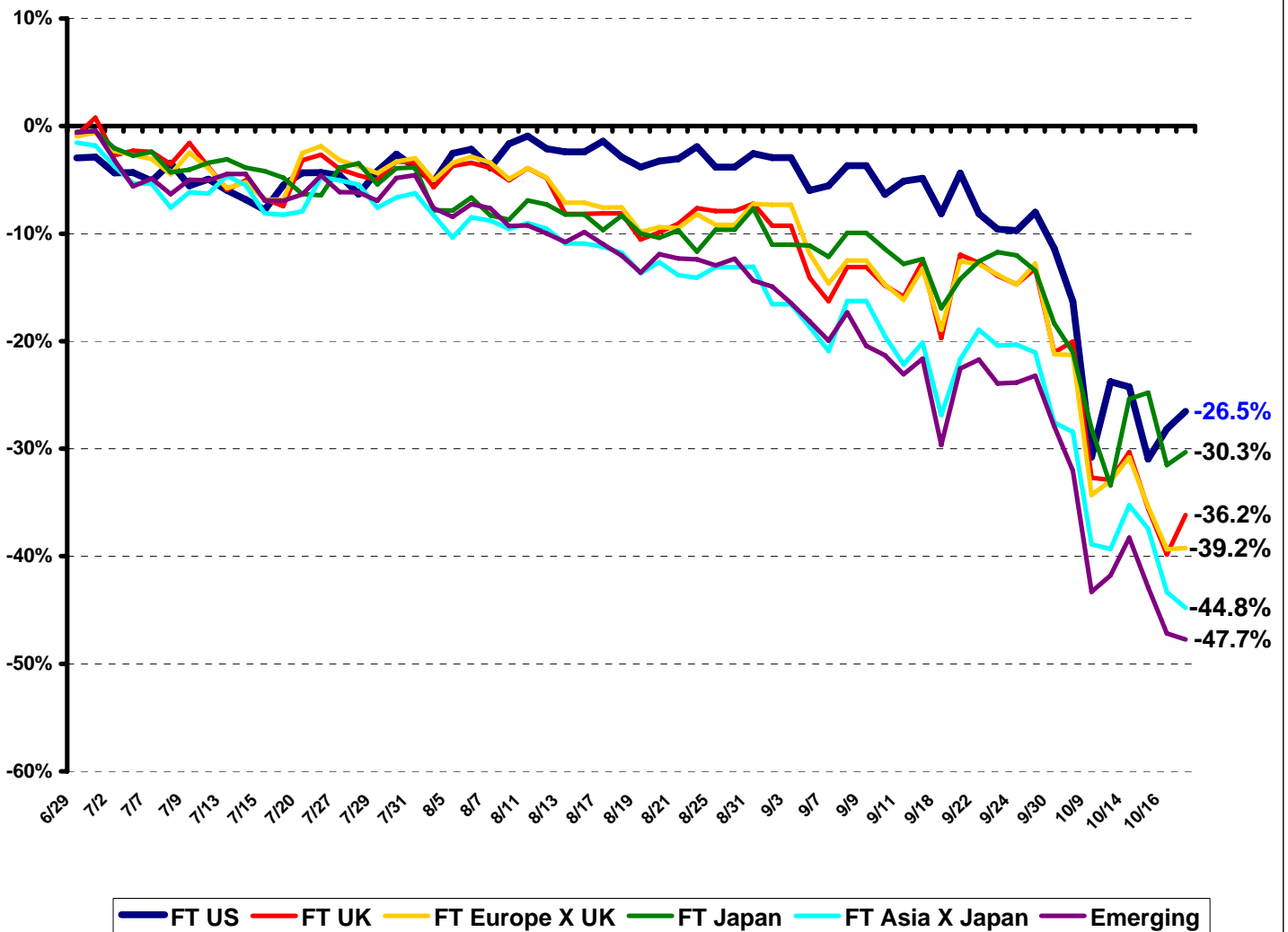




Capital Market Yields and Rates



Short-Term Cumulative Returns



	(billions)	% GDP	Range - Low	Average	High	1 SD
Current GDP (QoQ Annual)	\$ 14,429.20	-0.3%	-7.9% (1980)	3.4%	16.3% (1978)	3.70%
Corporate Profits	\$ 1,533.30	10.6%	6.0% (1982)	9.1%	13.0% (1950)	1.47%
After tax Profits	\$ 1,343.20	9.3%	3.1% (1986)	5.6%	7.6% (1978)	
S&P Earnings (trailing Yr)	\$ 532.34	3.7%				
S&P Earnings (current qtr)	\$ -	0.0%				
Wages and salaries	\$ 6,635.60	46.0%	36.6% (1993)	40.1%	42.9% (1959)	1.39%
WACC	9.6%		ROE on Book	19.9%		
WAC Equity	11.9%		Current P/E	12.3		
WAC Debt	4.5%		Dividend Yield	3.5%		3.5%
Debt to Capital	31%		Share Repurchase	5.3%		(SPX)
Price/EBITDA	#DIV/0!		Payout ratio	33.0%		
Price/Book	1.9		Trailing PE	21.4		

Fixed Income

10 Yr Government	3.9%	Fed funds		90 Day Euro\$ Yields	
10Y Volatility	17.5%	Today	1.00%	Current	4.3%
10 Yr TIPS	3.9%	1 mth	2.40%	3 mo	2.2%
10 Yr A Corporate	5.6%	2 mth	3.75%	6 mo	2.2%
10 Yr BBB Corporate	6.1%	3 mth	4.00%	9 mo	2.4%
		4 mth	4.25%	12 mo	2.6%
20 Yr Government	4.7%	5 mth	4.25%	18 mo	3.0%
20 Yr AA Corporate	5.7%	6 mth	4.50%	24 mo	3.2%
30 Yr Government	4.3%	7 mth	4.50%		
30 Yr A Corporate	8.1%	8 mth	4.50%		
30 Yr TIPS	3.3%	9 mth	4.75%		
LT Bond Volatility	17.5%	10 mth	4.75%		
		11 mth	4.75%		
Implied Inflation LT	1.0%	12 mth	4.75%		
Implied 10 Yr Inflation	-0.2%				

Equity

	P/E Ratio	EPS	Growth Estimates		
Trailing Year	14.3	\$ 2.63	LT (5 Year) growth	9.9%	
			Next Year	16.6%	16.6%
This Year	12.3	\$ 2.67	Implied % of GDP at 5th Year	Gross 14.9%	After Tax 13.0%
Next Year	15.0	\$ 3.11			
Dividend Yield	3.5%				
Share repurchase Yield	5.3%				
Payout ratio (Bloomberg)	33%				
LT (5 Year) growth	9.9%	\$ -			
			RE Cap Rate (Transac	6.7%	
			REIT cap Rate	7.1%	
			REIT Div	8.1%	
10 Yr Rtns	Current	Historic			
Exp. 10 Yr Geo Rtn	9.3%	9.3%			
Volatility (VIX)	54.4%	21.0%			
Exp 10 Yr. Arith Rtn	22.6%	11.3%			
Exp. 10 Yr Bond Rtn	1.8%	1.8%			
10 Yr Bnd Volatility	17.5%	6.0%			
70-30 return	16.8%	8.4%			
70-30 SD (.3 Cor)	40.0%	14.6%			
70-30 Geo Rtn	9.6%	7.4%			
Real return	11.4%	9.2%			
Assumed 10 yr Real GDP		2.7%			

FACTORS

Recovery Continues at Moderate Pace

GDP Real Growth QOQ (annualized)	-0.30%					
	MOM	YOY	Apr-02			
Leading Economic Indicators (% change)	0.3%	-3.0%	11.0%	High	Average	Low
ISM Manufacturing	38.9		53.9	57.5 (12/99)	51.5	43.2 (3/01)
ISM Non-manufacturing	52.1		55.3	62.1 (10/97)	56.3	40.5 (10/01)

Inflation Stays Under Control

Inflation QOQ (annualized)	4.10%
----------------------------	-------

Consumer Spending Remains Healthy

Consumer Spending QOQ (annualized)	-3.10%					
Real Consumer Spending (annualized)	-7.20%	Apr-02		High	Avg	Low
University of Michigan Survey	57.6	93		107.3 (6/99)	92.6	65.5 (12/90)

Tech and Telecom Do Not Drive Recovery

S&P 1500 since 4/30/02	-7.6%
NASDAQ 100 since 4/30/02	5.3%
NASDAQ Telecom since 4/30/02	13.9%
NASDAQ Computer since 4/30/02	-2.1%

Emerging Markets strong, Japan weak, Europe moderate

EAFE returns since 4/30/02	6.73%
Europe	31.35%
Asia	28.43%
Japan since 4/30/02	13.08%
Emerging Markets since 4/30/02	61.69%

Corporate Spreads Narrow

	Spread	High	Average	Low
10 Year A over Government on 4/30/02	1.60%	2.18% (1/01	1.31%	0.67% (8/97)
Current 10 Year A over Government	1.65%			
		High	Average	Low
30 Year A over Government on 4/30/02	1.88%	3.33% (10/8	1.49%	0.64% (5/84)
Current 30 Yr A over Government	3.72%			
		High	Average	Low
10 Year BBB over A on 4/30/02	0.80%	1.13% (1/02	0.57%	0.16% (11/97)
Current 10 Year BBB over A	0.47%			

Fed Policy Expected to be Benign

	Current	Expected Level
Expected 12 month tightening on 4/30/02	0.75%	1.75%
Current expected 12 month tightening	3.75%	4.75%

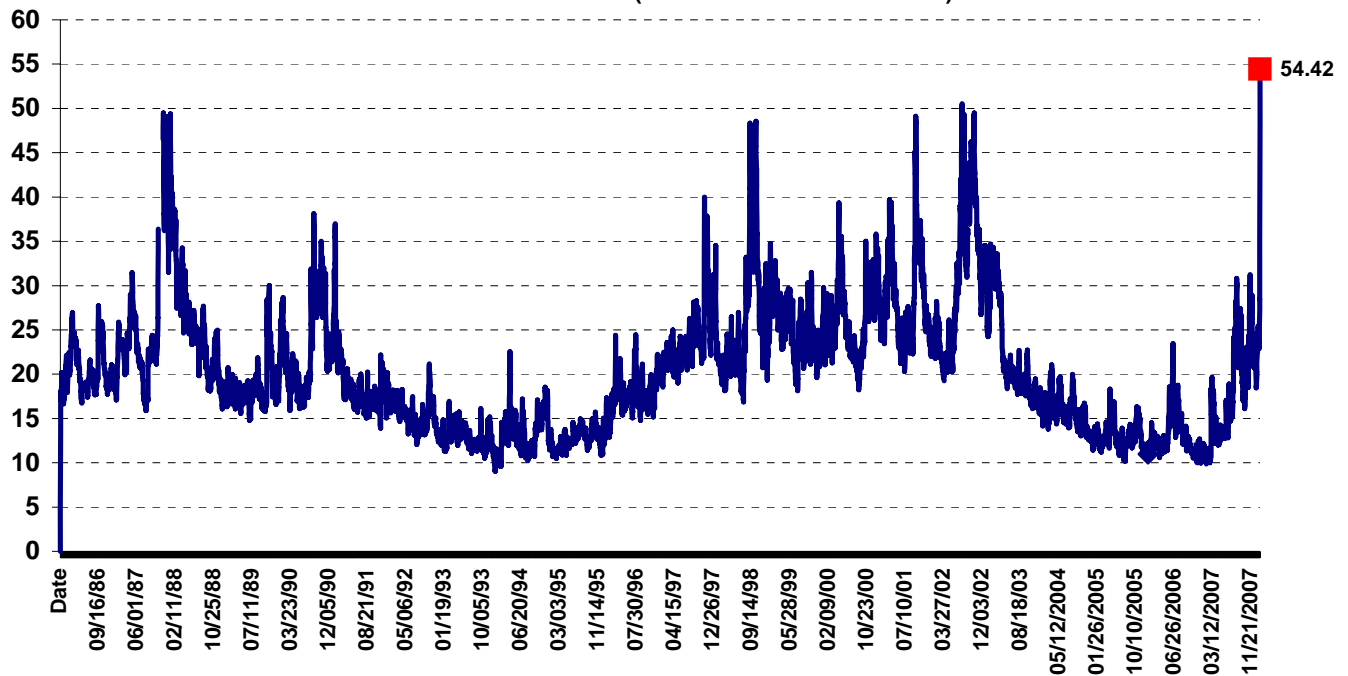
US \$ Moderate Weakness against Euro and Pound

	\$ vs currency
Japan (\$ % change since 4/30/02)	99.1 -22.9%
UK	1.58 -7.9%
Euro	1.27 -29.0%

US Productivity Continues at 2% - 2.5% or above

		High	Average	Low
Nonfarm Productivity Increase QOQ	4.3%	9.9% (6/83)	1.7%	-5.0% (3/93)
Nonfarm Productivity Increase YOY	3.4%	5.3% (9/83)	1.6%	-2.2% (3/82)

VIX (Stock Volatility) Index 1981-2007 (Late October 1987 Excluded)



	w/o 10/87	With 10/87
Average Volatility	21.3	21.6
St. Deviation	7.1	8.3
Minimum	9.1	9.1
Maximum	50.1	150

PERSI RETURNS

September 30, 2008

	Month Ending	Quarter Ending	Fiscal Year Ending	Cal Year Ending	1 Year Ending	2 Years Ending	3 Years Ending	4 Years Ending	5 Years Ending	7 Years Ending	10 Years Ending
TOTAL ACCOUNT	-7.4%	-8.7%	-8.7%	-14.6%	-14.8%	0.1%	3.9%	6.8%	8.1%	7.3%	6.7%
55-15-30 Policy (No Rebalance)	-7.7%	-8.0%	-8.1%	-14.5%	-15.3%	-2.0%	1.6%	4.2%	5.8%	5.0%	4.5%
US EQUITY	-4.7%	-3.3%	-3.3%	-9.0%	-11.6%	1.1%	4.8%	7.4%	9.0%	6.7%	6.0%
R3000	-9.4%	-8.7%	-8.7%	-18.8%	-21.5%	-4.4%	0.3%	3.7%	5.7%	4.4%	3.8%
GLOBAL EQUITY	-14.2%	-18.5%	-18.5%	-30.6%	-30.9%	-6.8%	0.7%	5.9%	7.7%	7.7%	8.0%
MSCI World	-11.9%	-15.2%	-15.2%	-23.8%	-25.6%	-4.9%	1.3%	5.5%	7.9%	5.9%	4.3%
INTERNATIONAL	-15.5%	-21.8%	-21.8%	-29.4%	-29.3%	-2.6%	4.1%	10.6%	12.6%	10.8%	7.8%
MSCI EAFE	-14.4%	-20.5%	-20.5%	-28.9%	-30.1%	-6.4%	1.6%	7.3%	10.2%	8.2%	5.4%
FIXED INCOME	-2.3%	-1.5%	-1.5%	0.5%	4.2%	4.8%	4.4%	4.3%	4.4%	5.5%	5.8%
Lehman Aggregate	-1.3%	-0.5%	-0.5%	0.6%	3.7%	4.4%	4.2%	3.8%	3.8%	4.7%	5.2%
US EQUITY											
Mellon R3000 Index	-9.5%	-8.8%	-8.8%	-19.1%	-21.8%	-4.4%	0.1%	3.5%	5.6%	4.2%	3.8%
Russell 3000	-9.4%	-8.7%	-8.7%	-18.8%	-21.5%	-4.4%	0.3%	3.7%	5.7%	4.4%	3.8%
Tukman	-0.7%	5.5%	5.5%	-6.0%	-7.2%	1.6%	4.7%	3.2%	4.4%	3.2%	5.3%
S&P 500	-8.9%	-8.4%	-8.4%	-19.3%	-22.0%	-4.7%	0.2%	3.1%	5.2%	3.5%	3.1%
Peregrine	-9.9%	-5.6%	-5.6%	-19.6%	-22.4%	-4.1%	-1.9%	0.7%			
S&P 500 Growth	-10.2%	-11.2%	-12.3%	-18.4%	-19.4%	-3.0%	0.0%	2.0%	3.3%	1.7%	1.4%
Mountain Pacific	-5.4%	-0.4%	-0.4%	-8.0%	-10.2%	2.9%	5.6%	7.0%	9.4%	8.2%	8.4%
S&P 400	-10.7%	-10.9%	-11.0%	-14.3%	-16.7%	-0.5%	1.8%	6.5%	8.7%	9.0%	10.3%
TCW Domestic	-11.1%	-11.9%	-11.9%	-13.8%	-19.2%	-4.9%	0.5%	4.6%			
S&P 400	-10.7%	-10.9%	-11.0%	-14.3%	-16.7%	-0.5%	1.8%	6.5%	8.7%	9.0%	10.3%
Donald Smith	-8.6%	-5.2%	-5.2%	-22.8%	-26.3%	-10.2%	-0.5%	4.7%			
R3000	-9.4%	-8.7%	-8.7%	-18.8%	-21.5%	-4.4%	0.3%	3.7%	5.7%	4.4%	3.8%

GLOBAL EQUITY

	Month Ending	Quarter Ending	Fiscal Year	Cal Year Ending	1 Year Ending	2 Years Ending	3 Years Ending	4 Years Ending	5 Years Ending	7 Years Ending	10 Years Ending
Barings Global	-12.3%	-19.0%	-19.0%	-24.8%	-22.3%	0.1%	3.7%	7.1%	8.5%	7.3%	3.6%
<i>MSCI World</i>	-11.9%	-15.2%	-15.2%	-23.8%	-25.6%	-4.9%	1.3%	5.5%	7.9%	5.9%	4.3%
Bernstein Global	-18.2%	-24.3%	-24.3%	-34.5%	-37.9%	-13.1%	-3.0%	3.5%			
<i>MSCI World</i>	-11.9%	-15.2%	-15.2%	-23.8%	-25.6%	-4.9%	1.3%	5.5%	7.9%	5.9%	4.3%
Brandes	-15.1%	-16.1%	-16.1%	-30.7%	-35.0%	-12.2%	-3.3%	2.8%	6.7%	6.3%	9.7%
<i>MSCI World</i>	-11.9%	-15.2%	-15.2%	-23.8%	-25.6%	-4.9%	1.3%	5.5%	7.9%	5.9%	4.3%
Capital Guardian	-11.7%	-17.2%	-17.2%	-24.2%	-26.8%	-6.1%	0.3%	4.6%	6.6%		
<i>MSCI World</i>	-11.9%	-15.2%	-15.2%	-23.8%	-25.6%	-4.9%	1.3%	5.5%	7.9%	5.9%	4.3%
Fortis	-12.6%	-17.9%	-17.9%	-23.8%	-22.7%						
<i>MSCI World</i>	-11.9%	-15.2%	0.0%	-23.8%	-25.6%	-4.9%	1.3%	5.5%	7.9%	5.9%	4.3%
Zesiger	-14.8%	-18.5%	-18.5%	-39.7%	-34.7%	-4.1%	4.3%	10.0%	9.1%	13.0%	13.5%
<i>MSCI World</i>	-11.9%	-15.2%	-15.2%	-23.8%	-25.6%	-4.9%	1.3%	5.5%	7.9%	5.9%	4.3%

INTERNATIONAL EQUITY

MCM EAFE Index	-14.3%	-20.4%	-20.4%	-28.8%	-30.1%	-6.7%	1.1%	6.7%	9.5%	7.8%	4.9%
<i>MSCI EAFE</i>	-14.4%	-20.5%	-20.5%	-28.9%	-30.1%	-6.4%	1.6%	7.3%	10.2%	8.2%	5.4%
Mondrian	-12.4%	-16.2%	-16.2%	-26.4%	-26.2%	-4.5%	3.7%	9.0%			
<i>MSCI EAFE</i>	-14.4%	-20.5%	-20.5%	-28.9%	-30.1%	-6.4%	1.6%	7.3%	10.2%	8.2%	5.4%
Genesis Emg.	-16.9%	-21.7%	-21.7%	-27.7%	-25.6%	3.7%	9.1%	18.3%	20.9%	23.1%	16.9%
<i>MSCI Emerging Mkt</i>	-17.5%	-26.9%	-26.9%	-35.4%	-33.0%	3.1%	8.7%	17.2%	19.0%	20.9%	14.8%
Bernstein Emg.	-18.3%	-29.5%	-29.5%	-35.1%	-35.0%	0.6%	6.1%	16.4%			
<i>MSCI Emerging Mkt</i>	-17.5%	-26.9%	-26.9%	-35.4%	-33.0%	3.1%	8.7%	17.2%	19.0%	20.9%	14.8%
PERSI Emerging Mkt	-17.6%	-25.6%	-25.6%	-31.4%	-30.3%	2.2%	7.6%	17.4%	20.0%	21.9%	14.9%
<i>MSCI Emerging Mkt</i>	-17.5%	-26.9%	-26.9%	-35.4%	-33.0%	3.1%	8.7%	17.2%	19.0%	20.9%	14.8%

FIXED INCOME

	Month Ending	Quarter Ending	Fiscal Year	Cal Year Ending	1 Year Ending	2 Years Ending	3 Years Ending	4 Years Ending	5 Years Ending	7 Years Ending	10 Years Ending
State Street Index	-2.4%	-1.6%	-1.6%	-0.4%	2.7%	3.9%	3.7%	3.5%	3.4%	4.6%	5.0%
Lehman Gov/Credit	-2.5%	-1.6%	-1.6%	-0.7%	2.4%	3.7%	3.6%	3.3%	3.3%	4.6%	5.0%
Barings	-0.8%	0.3%	0.3%	1.8%	5.1%	6.0%	5.0%	5.1%	4.9%	5.6%	5.5%
Lehman Aggregate	-1.3%	-0.5%	-0.5%	0.6%	3.7%	4.4%	4.2%	3.8%	3.8%	4.7%	5.2%
Fidelity	-1.7%	-1.4%	-1.4%	-1.9%	0.4%	2.4%	3.0%				
Lehman Aggregate	-1.3%	-0.5%	-0.5%	0.6%	3.7%	4.4%	4.2%	3.8%	3.8%	4.7%	5.2%
Western	-3.8%	-4.9%	-4.9%	-7.7%	-6.3%	-0.4%	1.0%				
Lehman Aggregate	-1.3%	-0.5%	-0.5%	0.6%	3.7%	4.4%	4.2%	3.8%	3.8%	4.7%	5.2%
Clearwater MBS	0.9%	1.8%	1.8%	3.5%	6.4%	5.7%	5.2%	4.8%	4.7%		
Lehman Mortgage	0.8%	1.9%	1.6%	3.8%	7.0%	6.2%	5.5%	5.0%	4.8%	5.0%	5.7%
DBF MBS	0.7%	1.7%	1.7%	3.5%	6.7%	5.9%	5.4%	4.7%	4.5%	4.9%	5.5%
Lehman Mortgage	0.8%	1.9%	1.6%	3.8%	7.0%	6.2%	5.5%	5.0%	4.8%	5.0%	5.7%
Idaho Mortgages	0.8%	2.9%	2.9%	6.6%	12.2%	10.0%	8.1%	6.7%	5.8%	6.4%	6.7%
Lehman Mortgage	0.8%	1.9%	1.6%	3.8%	7.0%	6.2%	5.5%	5.0%	4.8%	5.0%	5.7%
TIPS	-4.4%	-3.6%	-3.6%	0.0%	4.5%	4.5%	3.8%	4.5%	5.3%	7.1%	
Lehman TIPS	-3.8%	-3.5%	-3.5%	1.2%	6.2%	5.6%	4.3%	4.6%	5.2%	6.8%	
Western - TIPS	-4.3%	-3.9%	-3.9%	0.3%	5.2%						
Lehman TIPS	-3.8%	-3.5%	0.0%	1.2%	6.2%	5.6%	4.3%	4.6%	5.2%	6.8%	

REAL ESTATE

PERSI Real Estate	-1.4%	-0.9%	-0.9%	3.8%	-1.2%	5.3%	10.8%	14.7%	16.9%	16.8%	16.1%
NCREIF	0.2%	0.6%	0.0%	5.4%	9.2%	13.2%	15.0%	15.7%	14.7%	12.3%	12.2%
Adelante	-6.5%	-5.1%	-5.1%	-8.3%	-23.3%	-10.9%	1.1%	7.8%	11.8%	13.4%	13.9%
S&P REIT	-0.1%	5.3%	5.4%	0.7%	-12.7%	-4.1%	4.8%	9.8%	12.7%	13.9%	12.2%
Koll	0.2%	0.2%	0.2%	8.8%	10.4%	13.0%	8.7%	7.2%			
NCREIF	0.2%	0.6%	0.0%	5.4%	9.2%	13.2%	15.0%	15.7%	14.7%	12.3%	12.2%
Prudential		0.7%	0.7%	3.4%	8.0%	13.3%	15.9%	16.3%	15.5%	14.3%	12.8%
NCREIF	0.2%	0.6%	0.0%	5.4%	9.2%	13.2%	15.0%	15.7%	14.7%	12.3%	12.2%
Olympic	0.8%	0.8%	0.8%	13.2%	17.7%	15.4%					
NCREIF	0.2%	0.6%	0.0%	5.4%	9.2%	13.2%	15.0%	15.7%	14.7%	12.3%	12.2%

PRIVATE EQUITY

(Time weighted)

	Month Ending	Quarter Ending	Fiscal Year	Cal Year Ending	1 Year Ending	2 Years Ending	3 Years Ending	4 Years Ending	5 Years Ending	7 Years Ending	10 Years Ending
PERSI Private Equity	-0.1%	-0.5%	-0.5%	5.6%	7.4%	13.4%	15.0%	18.6%	20.0%	9.6%	6.3%
R3000	-9.4%	-8.7%	-8.7%	-18.8%	-21.5%	-4.4%	0.3%	3.7%	5.7%	4.4%	3.8%
IdaWest		19.8%	19.8%	19.8%	19.8%	30.1%	34.7%	29.9%	35.7%	30.8%	30.1%
Galen		2.0%	2.0%	4.6%	11.7%	23.7%	14.6%	10.9%	11.2%	6.9%	5.8%
Furman Selz		12.3%	12.3%	14.0%	60.0%	58.8%	48.2%	50.0%	62.1%	37.9%	26.1%
Harvest Ptnrs		-12.5%	-12.5%	-9.4%	-2.4%	-64.1%	-60.1%	-48.2%	-38.8%	-36.8%	-23.4%
Kohlberg & Co.		-1.1%	-1.1%	11.7%	11.6%	11.0%	0.5%				
Providence	-0.1%	-1.8%	-1.8%	17.2%	17.4%	11.9%	15.1%	29.0%	50.3%	27.2%	
Chisolm		-2.2%	-2.2%	2.2%	3.6%	9.7%	20.0%	19.1%	13.1%	0.2%	
Littlejohn		3.6%	3.6%	3.0%	0.7%	19.7%	18.1%	46.2%	33.1%	14.1%	
Oaktree	-7.5%	-4.2%	-4.2%	-4.1%	-5.4%	35.4%	53.4%	36.7%	39.4%	26.6%	
Goense Bounds	-1.3%	-1.7%	-1.7%	4.2%	7.3%	6.7%	8.4%	8.1%	52.7%	29.2%	
Zesiger	-3.1%	10.1%	10.1%	3.3%	4.9%	4.5%	10.3%	7.5%	7.3%	-2.5%	
Highway 12	-2.2%	-6.4%	-6.4%	-17.6%	-17.6%	-14.8%	-3.2%	-4.7%	-4.1%	-8.7%	
T3 Partners	-0.5%	-5.5%	-5.5%	-8.8%	-7.3%	17.0%	28.1%	29.4%	22.4%	151.1%	
Apollo	-1.6%	-6.0%	-6.0%	25.9%	28.8%	40.6%	35.4%	54.2%	48.0%	37.9%	
Thomas Lee		-75.6%	-75.6%	-95.2%	-95.8%	-82.1%	-70.3%	-55.8%	-46.5%		
Green Equity	0.0%	-0.7%	-0.7%	-0.9%	0.1%	2.0%	2.5%	12.3%	8.0%		
Gores		7.7%	7.7%	21.0%	14.8%	31.0%	28.9%	16.5%			
W Capital	1.7%	1.7%	1.7%	-8.7%	-6.6%	-0.1%	5.5%	6.6%			
Frazier		17.5%	17.5%	29.4%	27.7%	25.4%	14.8%	8.9%			
HL Secondary	11.4%	13.7%	13.7%	20.1%	20.1%	21.7%	27.1%				
HL Coinvestment	1.6%	-0.9%	-0.9%	0.4%	1.3%	6.2%					
Bridgepoint Europe	-4.6%	-8.5%	-8.5%	3.2%	5.3%	8.7%					
Newbridge Asia		2.9%	2.9%	7.0%	9.9%	19.0%					
Whitney		-0.5%	-0.5%	4.9%	5.5%	13.5%					
Blackstone	0.0%	-2.5%	-2.5%	-5.3%	-3.8%	5.1%					
Enhanced		-3.2%	-3.2%	10.8%	11.8%	4.3%					

DEFINED CONTRIBUTION PLAN

	Month Ending	Quarter Ending	Fiscal Year Ending	Cal Year Ending	1 Year Ending	2 Years Ending	3 Years Ending	4 Years Ending	5 Years Ending	7 Years Ending	10 Years Ending
MCM Wilshire 5000	-9.3%	-8.7%	-8.7%	-18.8%	-21.4%	-4.1%	0.5%	3.8%	5.9%	4.7%	
<i>Wilshire 5000</i>	-9.4%	-8.7%	-8.7%	-18.7%	-21.2%	-4.0%	0.6%	4.0%	6.0%	4.9%	4.0%
MCM S&P500	-8.9%	-8.4%	-8.4%	-19.3%	-22.0%	-4.6%	0.3%	3.1%	5.2%	3.6%	
<i>S&P 500</i>	-8.9%	-8.4%	-8.4%	-19.3%	-22.0%	-4.7%	0.2%	3.1%	5.2%	3.5%	3.1%
MCM Int. Index	-12.4%	-18.8%	-18.8%	-28.0%	-29.2%	-6.0%	1.8%	7.4%	9.5%	8.5%	
<i>MSCI EAFE</i>	-14.4%	-20.5%	-20.5%	-28.9%	-30.1%	-6.4%	1.6%	7.3%	10.2%	8.2%	5.4%
MCM Aggregate Index	-1.3%	-0.4%	-0.4%	0.7%	3.7%	4.5%	4.1%	3.8%	3.8%	4.8%	
<i>Lehman Aggregate</i>	-1.3%	-0.5%	-0.5%	0.6%	3.7%	4.4%	4.2%	3.8%	3.8%	4.7%	5.2%
Vanguard Growth & Inc	-8.7%	-8.8%	-8.8%	-18.5%	-23.2%	-5.4%	-0.5%	2.5%	5.0%	3.6%	
<i>Wilshire 5000</i>	-9.4%	-8.7%	-8.7%	-18.7%	-21.2%	-4.0%	0.6%	4.0%	6.0%	4.9%	4.0%
MCM 4500	-10.7%	-9.6%	-9.6%	-16.6%	-21.8%						
<i>S&P 400</i>	-10.7%	-10.9%	-11.0%	-14.3%	-16.7%	-0.5%	1.8%	6.5%	8.7%	9.0%	10.3%
T. Rowe Price Small Cap	-7.6%	-2.7%	-12.7%	-12.7%	-18.0%	-4.7%	0.0%	4.1%	7.1%		
<i>R2000</i>	-8.0%	-1.1%	-1.1%	-10.4%	-14.5%	-2.0%	1.8%	5.6%	8.1%	9.0%	7.8%
Brandes International	-8.8%	-11.8%	-11.8%	-23.6%	-23.5%	-4.8%	2.8%	7.6%	11.4%	10.4%	
<i>MSCI EAFE</i>	-14.4%	-20.5%	-20.5%	-28.9%	-30.1%	-6.4%	1.6%	7.3%	10.2%	8.2%	5.4%
Dodge & Cox	-3.8%	-3.8%	-3.8%	-3.5%	-2.3%	2.0%	2.3%	2.3%	2.6%	4.0%	
<i>Lehman Aggregate</i>	-1.3%	-0.5%	-0.5%	0.6%	3.7%	4.4%	4.2%	3.8%	3.8%	4.7%	5.2%
Stable Value	0.3%	0.9%	0.9%	2.9%	4.0%	4.1%	4.2%	4.2%	4.1%	4.4%	
Calvert SRI Fund	-6.4%	-7.1%	-7.1%	-12.1%	-13.7%						
PERSI Total Return Fund	-7.4%	-8.7%	-8.7%	-14.6%	-14.8%	0.1%	3.9%	6.8%	8.1%	7.3%	6.7%

Performance Summary

blue = outperform by 50 bp; red = underperform by 50 bp

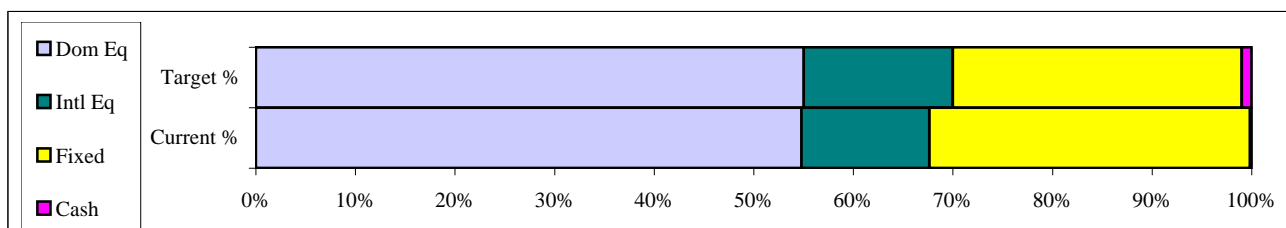
(* Annualized)

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
Total Fund	-7.4%	-8.7%	-14.8%	3.9%	8.1%
Policy Bench (55-15-30)	-7.7%	-8.0%	-15.3%	1.6%	5.7%
Total Domestic Equity (Russell 3000)	-8.2%	-9.2%	-19.3%	3.2%	8.5%
Russell 3000	-9.4%	-8.7%	-21.5%	0.3%	5.7%
U.S. Equity (Russell 3000)	-7.7%	-5.3%	-18.6%	1.3%	6.0%
Real Estate (NCREIF)	-1.4%	-0.9%	-1.2%	10.8%	16.9%
Private Equity (Russell 2500)	-0.1%	-0.5%	7.4%	15.0%	20.0%
Global Equity (Russell 3000)	-14.2%	-18.5%	-30.9%	0.7%	7.7%
Total International Equity (MSCI EAF)	-15.5%	-21.8%	-29.4%	4.1%	12.6%
Total Intl Equity ex Pareto (MSCI EAF)	-15.4%	-22.0%	-29.4%	4.2%	12.7%
MSCI EAFE (net dividends)	-14.5%	-20.6%	-30.5%	1.1%	9.7%
Total Fixed Income (Lehman Aggregate)	-2.3%	-1.5%	4.2%	4.4%	4.4%
Lehman Aggregate	-1.3%	-0.5%	3.7%	4.2%	3.8%

Asset Allocation

blue = over allowable target range; red = under allowable target range

	<u>Month-End MV</u>	<u>Current %</u>	<u>Target %</u>
U.S. Equity	\$ 1,977.3	19.9 %	
Real Estate	\$ 806.6	8.1 %	
Private Equity	\$ 787.9	7.9 %	
Global Equity	\$ 1,871.4	18.8 %	
Total Domestic Equity	\$ 5,443.1	54.8 %	55.0%
Total International Equity	\$ 1,278.8	12.9 %	15.0%
Total Fixed Income	\$ 3,197.3	32.2 %	29.0%
Cash	\$ 17.1	0.2 %	1.0%
Total Fund	\$ 9,936.0	100.0 %	100.0%



Performance Commentary:

During the month, the Total Fund generated a performance just barely ahead of the Policy Benchmark (allocation of 55% domestic equity, 15% international equity, 30% fixed income). The U.S. Equity and Private Equity portions of the portfolio added value, while the International Equity, Global Equity, and Fixed Income portions of the portfolio detracted from returns. The Total Fund continues to exceed the Policy Benchmark for the last one-year through the last five-year periods.

Total Fund

Month-End Performance

Sep 2008

Manager (Style Benchmark)	blue = outperform by 50 bp; red = underperform by 50 bp (* Annualized)				
	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Total Fund	-7.4%	-8.7%	-14.8%	3.9%	8.1%
Policy Bench (55-15-30)	-7.7%	-8.0%	-15.3%	1.6%	5.7%
Total Domestic Equity (Russell 3000) (Includes U.S. Eq, Gbl Eq, RE, PE)	-8.2%	-9.2%	-19.3%	3.2%	8.5%
U.S. Equity ex RE, PE (Russell 3000)	-7.7%	-5.3%	-18.6%	1.3%	6.0%
Russell 3000	-9.4%	-8.7%	-21.5%	0.3%	5.7%
MCM Index Fund (Russell 3000)	-9.5%	-8.8%	-21.8%	0.1%	5.6%
MCM S&P 500 (S&P 500)	-9.0%	-8.4%	-21.2%	0.4%	5.3%
S&P 500	-8.9%	-8.4%	-22.0%	0.2%	5.2%
MCM Mid Cap (Russell Midcap)	-13.9%	-15.4%	-22.9%	0.2%	8.1%
Russell Midcap	-12.3%	-12.9%	-22.4%	0.1%	8.6%
MCM Russell 2000 (Russell 2000)	-7.9%	-1.5%	-14.4%	1.5%	7.9%
Russell 2000	-8.0%	-1.1%	-14.5%	1.8%	8.1%
Donald Smith & Co. (Russell 3000)	-8.6%	-5.2%	-26.3%	-0.5%	n/a
Russell 3000	-9.4%	-8.7%	-21.5%	0.3%	5.7%
Tukman (S&P 500)	-0.7%	5.5%	-7.2%	4.7%	4.4%
S&P 500	-8.9%	-8.4%	-22.0%	0.2%	5.2%
Peregrine (Russell 1000 Growth)	-9.9%	-5.6%	-22.4%	-1.9%	n/a
Russell 1000 Growth	-11.6%	-12.3%	-20.9%	0.0%	3.7%
Mountain Pacific (Russell 2500)	-5.4%	-0.4%	-10.2%	5.6%	9.4%
Russell 2500	-9.9%	-6.7%	-18.0%	0.9%	8.1%
TCW Domestic (Russell Midcap Value)	-11.1%	-11.9%	-19.2%	0.5%	n/a
Russell Midcap Value	-9.0%	-7.5%	-20.5%	0.5%	10.0%
Global Equity (Russell 3000)	-14.2%	-18.5%	-30.9%	0.7%	7.7%
Russell 3000	-9.4%	-8.7%	-21.5%	0.3%	5.7%
MSCI World	-11.9%	-15.2%	-25.6%	1.3%	7.9%
MSCI AC World	-12.5%	-16.5%	-26.5%	1.8%	8.5%
Baring (Wilshire 5000)	-12.3%	-19.0%	-22.3%	3.7%	8.5%
Bernstein (MSCI ACWI)	-18.2%	-24.3%	-37.9%	-3.0%	n/a
Brandes (Russell 3000)	-15.1%	-16.1%	-35.0%	-3.3%	6.7%
Capital Guardian (Russell 3000)	-11.7%	-17.2%	-26.8%	0.3%	6.6%
Fortis (MSCI ACWI)	-12.6%	-17.9%	-22.7%	n/a	n/a
Zesiger (Wilshire 5000)	-14.8%	-18.5%	-34.7%	4.3%	9.1%

Total Fund

Month-End Performance

Sep 2008

Manager (Style Benchmark)	blue = outperform by 50 bp; red = underperform by 50 bp					(* Annualized)
	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*	
Real Estate (NCREIF)	-1.4%	-0.9%	-1.2%	10.8%	16.9%	
Adelante REITs (Wilshire REIT)	-6.5%	-5.1%	-23.3%	1.1%	11.8%	
MSCI US REIT	-0.1%	5.4%	-11.6%	5.4%	13.2%	
Prudential (NCREIF)	0.0%	0.7%	8.0%	15.9%	15.5%	
NCREIF	0.2%	0.6%	9.2%	15.0%	14.7%	
Koll/PER	0.2%	0.2%	10.4%	8.7%	n/a	
Olympic/IDA	0.8%	0.8%	17.7%	n/a	n/a	
Private Equity (Russell 2500)	-0.1%	-0.5%	7.4%	15.0%	20.0%	
Russell 2500	-9.9%	-6.7%	-18.0%	0.9%	8.1%	
Int'l Equity (MSCI EAFE)	-15.5%	-21.8%	-29.4%	4.1%	12.6%	
Int'l Equity ex Pareto	-15.4%	-22.0%	-29.4%	4.2%	12.7%	
MSCI EAFE (net dividends)	-14.5%	-20.6%	-30.5%	1.1%	9.7%	
MCM International (MSCI EAFE)	-14.3%	-20.4%	-30.1%	1.1%	9.5%	
Mondrian (MSCI EAFE)	-12.4%	-16.2%	-26.2%	3.7%	n/a	
Genesis (MSCI EMF)	-16.9%	-21.7%	-25.6%	9.1%	20.9%	
Bernstein (MSCI EMF)	-18.3%	-29.5%	-35.3%	5.9%	n/a	
MSCI EMF	-17.5%	-26.9%	-33.0%	8.7%	19.0%	
Total Fixed Income (Lehman Aggregate)	-2.3%	-1.5%	4.2%	4.4%	4.4%	
Lehman Aggregate	-1.3%	-0.5%	3.7%	4.2%	3.8%	
Baring (Lehman Aggregate)	-0.8%	0.3%	5.1%	5.0%	4.9%	
Fidelity (Lehman Aggregate)	-1.7%	-1.4%	0.4%	3.0%	n/a	
Western (Lehman Aggregate)	-3.8%	-4.9%	-6.3%	1.0%	n/a	
SSgA Gov/Corp (Lehman G/C)	-2.4%	-1.6%	2.7%	3.7%	3.4%	
Lehman Gov/Corp	-2.5%	-1.6%	2.4%	3.6%	3.3%	
DBF Idaho Mortgages (Lehman Mortgage)	0.8%	2.9%	12.2%	8.1%	5.8%	
Lehman Treasury	0.6%	2.3%	8.7%	5.8%	4.5%	
DBF MBS (Lehman Mortgage)	0.7%	1.7%	6.7%	5.4%	4.5%	
Lehman Mortgage	0.8%	1.9%	7.0%	5.5%	4.8%	
Clearwater TBA (ML Mortgage)	0.9%	1.8%	6.4%	5.2%	4.7%	
ML Mortgage Master	0.8%	2.0%	7.1%	5.6%	4.9%	
Western TIPS (Lehman TIPS)	-4.3%	-3.9%	5.2%	n/a	n/a	
SSgA TIPS (Lehman TIPS)	-4.4%	-3.6%	4.5%	3.8%	5.3%	
Lehman TIPS	-3.8%	-3.5%	6.2%	4.3%	5.2%	
Cash						
Clearwater: PERSI STIF (90-day LIBOR)	0.2%	0.6%	3.7%	4.7%	3.6%	
90-day LIBOR	0.2%	0.7%	3.5%	4.6%	3.6%	
Mellon EB Temp Inv Fund	0.2%	0.6%	3.5%	4.6%	3.6%	

This page intentionally left blank

Total U.S. Equity

Russell 3000 Benchmark

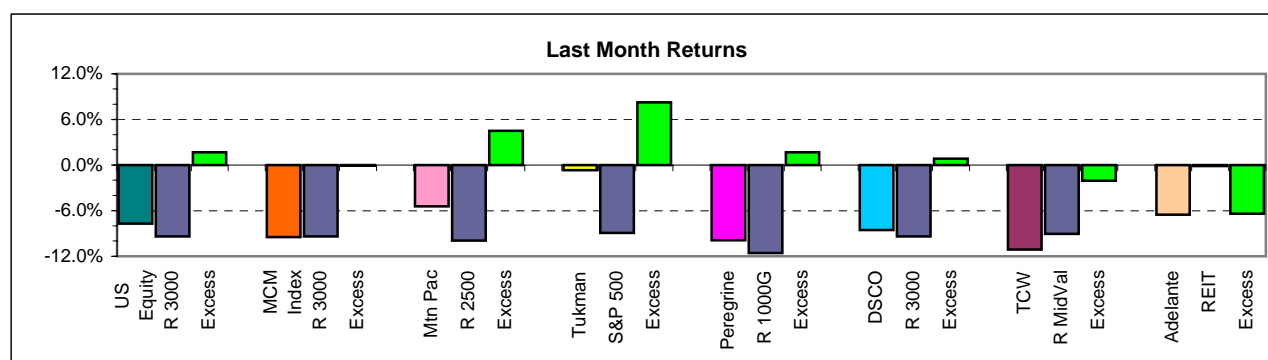
Sep 2008

Performance Calculations

blue = outperform by 50 bp; red = underperform by 50 bp

(* Annualized)

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Total U.S. Equity ex RE and PE	-7.7%	-5.3%	-18.6%	1.3%	6.0%
Russell 3000	-9.4%	-8.7%	-21.5%	0.3%	5.7%
MCM Index Fund Total (RU 3000)	-9.5%	-8.8%	-21.8%	0.1%	5.6%
Donald Smith & Co. (RU 3000)	-8.6%	-5.2%	-26.3%	-0.5%	n/a
Tukman (S&P 500)	-0.7%	5.5%	-7.2%	4.7%	4.4%
S&P 500	-8.9%	-8.4%	-22.0%	0.2%	5.2%
Peregrine (RU 1000 Growth)	-9.9%	-5.6%	-22.4%	-1.9%	n/a
Russell 1000 Growth	-11.6%	-12.3%	-20.9%	0.0%	3.7%
Mountain Pacific (RU 2500)	-5.4%	-0.4%	-10.2%	5.6%	9.4%
Russell 2500	-9.9%	-6.7%	-18.0%	0.9%	8.1%
TCW Domestic (RU Midcap Value)	-11.1%	-11.9%	-4.9%	4.6%	n/a
Russell Midcap Value	-9.0%	-7.5%	-20.5%	0.5%	10.0%
Total U.S. Equity incl RE and PE	-4.7%	-3.3%	-11.6%	4.8%	9.0%
Adelante REITs (Wilshire REIT)	-6.5%	-5.1%	-23.3%	1.1%	11.8%
Total RE	-1.4%	-0.9%	-1.2%	10.8%	16.9%
MSCI US REIT	-0.1%	5.4%	-11.6%	5.4%	13.2%
Total PE	-0.1%	-0.5%	7.4%	15.0%	20.0%
Russell 2500	-9.9%	-6.7%	-18.0%	0.9%	8.1%



Performance Commentary:

The Total U.S. Equity portion of the portfolio including Real Estate and Private Equity handily exceeded the Russell 3000 benchmark by approximately 470 basis points during the month; excluding Real Estate and Private Equity, the Total U.S. Equity portion stayed ahead by 170 basis points. Tukman was our best-performing manager, generating a return 820 basis points over the S&P 500 index. All active domestic equity managers exceeded their respective benchmark returns with the exception of TCW, which fell behind their benchmark by approximately 210 basis points. Our REIT manager, Adelante, underperformed the MSCI US REIT index by about 640 basis points; private equity generated a slight negative return for the period (-0.1%), well ahead of the Russell 2500 benchmark return of -9.9%. The Total U.S. Equity portfolio including Real Estate and Private Equity continues to outperform the Russell 3000 benchmark for all longer time periods.

Total U.S. Equity

Portfolio Analysis

Sep 2008

MCM Russell 3000 Index Fund Characteristics used as Russell 3000 Index Data (RU3000)

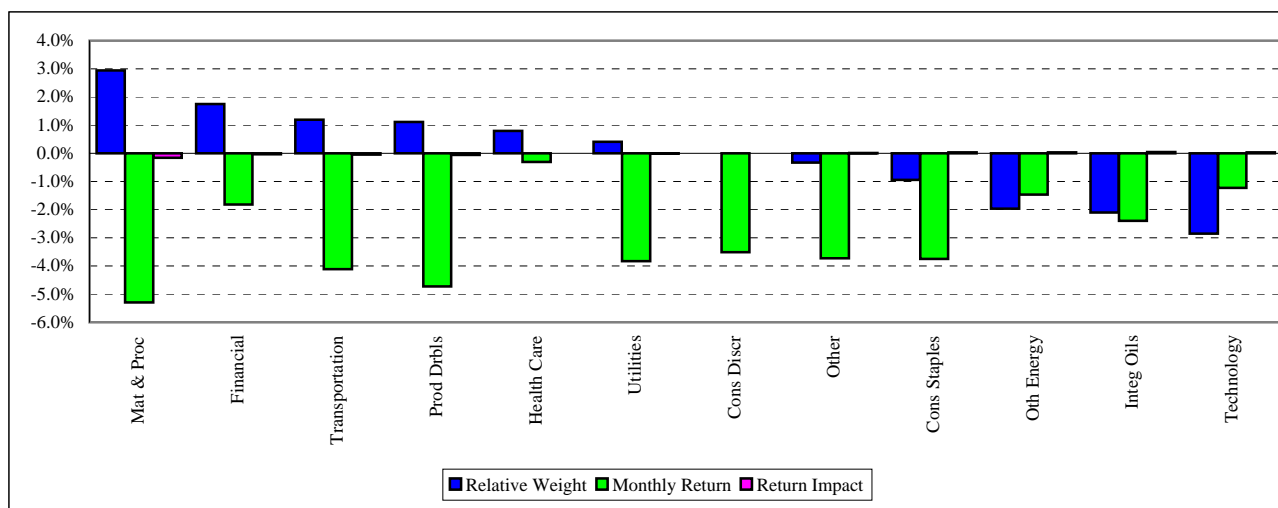
"U.S. Equity (U.S. Eq)" does not include RE or PE; "Domestic Equity (Dom Eq)" includes U.S. allocation of Global Equity Managers

Portfolio Characteristics

	U.S. Eq	Dom Eq	RU 3000		U.S. Eq	Dom Eq	RU 3000
Wtd Cap (\$ b)	\$ 62.54	\$ 58.93	\$ 71.24	Beta	1.02	1.03	1.01
Price/Earnings (P/E)	16.17	16.73	15.41	Dividend Yield (%)	1.98	2.15	2.26
P/E ex Neg	14.67	15.27	14.30	5 Yr DPS Growth	16.29	15.40	15.02
Price/Book Value (P/BV)	2.15	2.18	2.20	ROE	20.25	19.53	20.53
EPS 5Yr Growth	17.06	16.54	17.55	ROA	7.74	7.37	7.83
Debt/Equity	1.11	1.19	1.17				

Sector Allocations

Sectors	U.S. Eq Alloc	RU 3000 Alloc	Relative Weight	RU 3000 Return	Return Impact
Mat & Proc	8.0%	5.0%	2.9%	-5.3%	-0.16%
Financial	19.8%	18.1%	1.7%	-1.8%	-0.03%
Transportation	4.1%	2.9%	1.2%	-4.1%	-0.05%
Prod Drbls	6.4%	5.3%	1.1%	-4.7%	-0.05%
Health Care	14.1%	13.3%	0.8%	-0.3%	0.00%
Utilities	6.9%	6.5%	0.4%	-3.8%	-0.02%
Cons Discr	11.9%	11.9%	0.0%	-3.5%	0.00%
Other	2.9%	3.3%	-0.3%	-3.7%	0.01%
Cons Staples	7.2%	8.1%	-0.9%	-3.7%	0.04%
Oth Energy	3.7%	5.6%	-2.0%	-1.5%	0.03%
Integ Oils	4.3%	6.4%	-2.1%	-2.4%	0.05%
Technology	10.9%	13.8%	-2.9%	-1.2%	0.04%



Total Global Equity

Russell 3000 Benchmark

Sep 2008

Performance Calculations

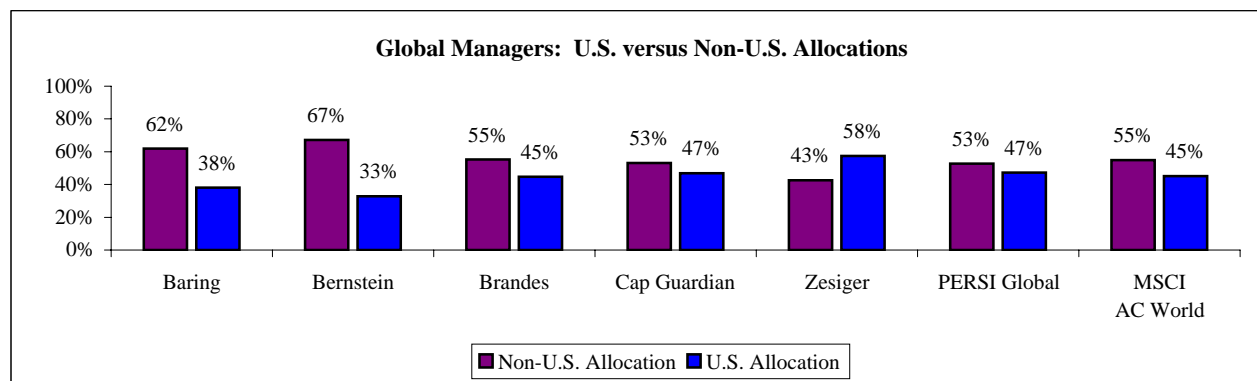
blue = outperform by 50 bp; red = underperform by 50 bp

(* Annualized)

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Total Global Equity	-14.2%	-18.5%	-30.9%	0.7%	7.7%
Russell 3000	-9.4%	-8.7%	-21.5%	0.3%	5.7%
MSCI World	-11.9%	-15.2%	-25.6%	1.3%	7.9%
Baring (Wil 5000)	-12.3%	-19.0%	-22.3%	3.7%	8.5%
Bernstein (MSCI ACWI)	-18.2%	-24.3%	-37.9%	-3.0%	n/a
Brandes (Wil 5000)	-15.1%	-16.1%	-35.0%	-3.3%	6.7%
Capital Guardian (RU 3000)	-11.7%	-17.2%	-26.8%	0.3%	6.6%
Fortis (MSCI ACWI)	-12.6%	-17.9%	-22.7%	n/a	n/a
Zesiger (Wil 5000)	-14.8%	-18.5%	-34.7%	4.3%	9.1%

Country Allocation Summary

Over-weight Countries	Total Global	MSCI ACW	Under-weight Countries	Total Global	MSCI ACW
U.S.	47.3%	42.2%	U.K.	6.8%	9.2%
Netherlands	3.3%	1.1%	Australia	0.5%	2.8%
Japan	10.2%	9.0%	Canada	2.0%	4.1%



Performance Commentary:

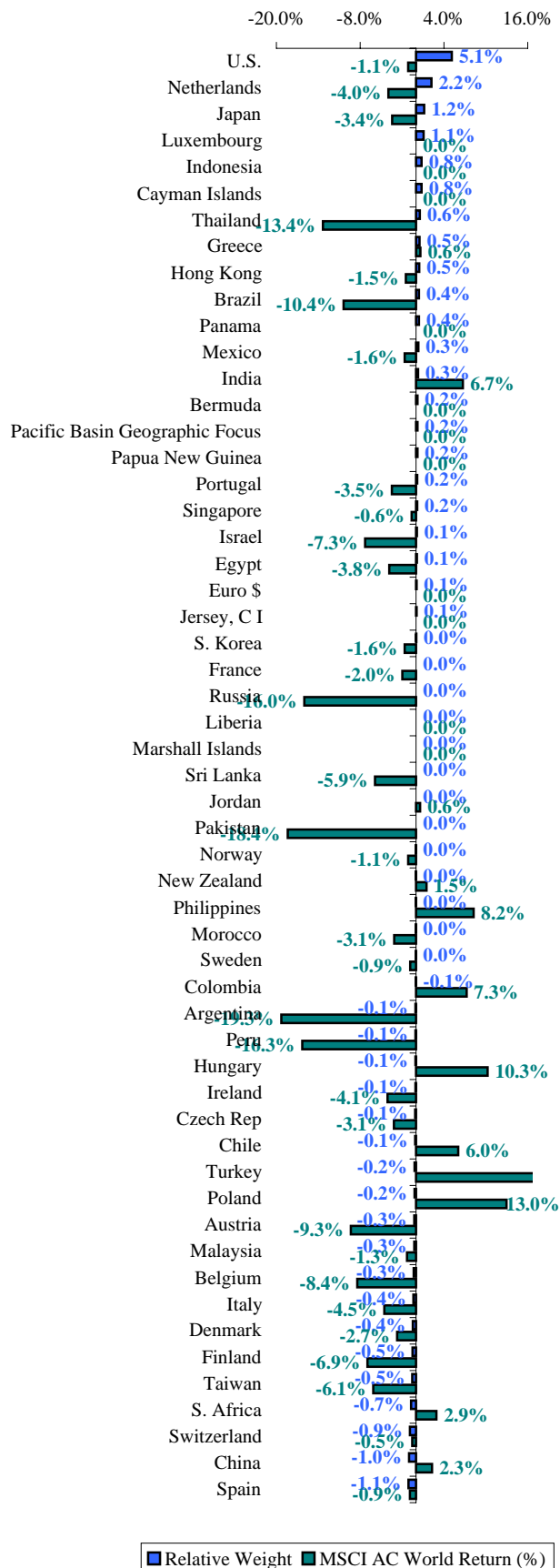
The Global Equity portion of the portfolio once again detracted from performance during the month, falling behind the Russell 3000 index by approximately 480 basis points and behind the MSCI World index by about 230 basis points. All of our global equity managers underperformed during the month. Capital Guardian generated the least negative return of -11.7%, ahead of the MSCI World and behind the Russell 3000. All other managers underperformed both the Russell 3000 and MSCI World indexes. The Total Global Equity portion of the portfolio continues to exceed both the Russell 3000 and MSCI World indexes over the last five-year time period.

Total Global Equity

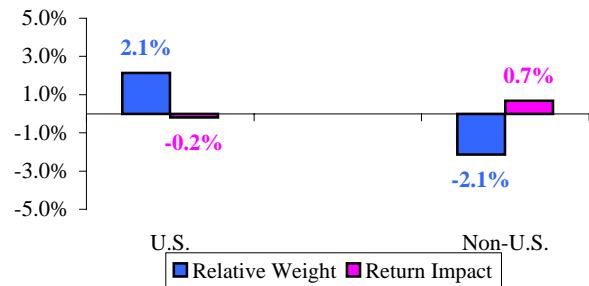
Country Allocations versus MSCI AC World Benchmark

Sep 2008

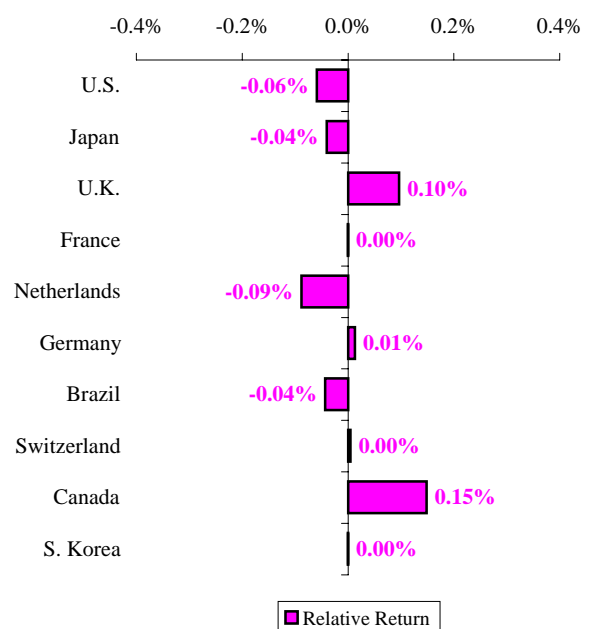
Relative Weights & Benchmark Returns



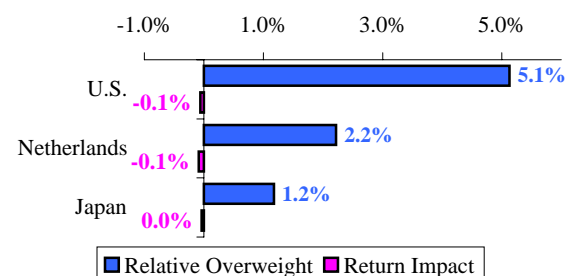
US vs Non-US: Relative Weight & Returns



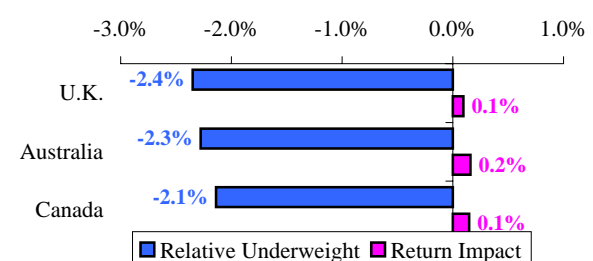
Top 10 Allocations - Return Impact



Relative Overweight & Return Impact



Relative Underweight & Return Impact



Total International Equity

MSCI EAFE Benchmark

Sep 2008

Performance Calculations

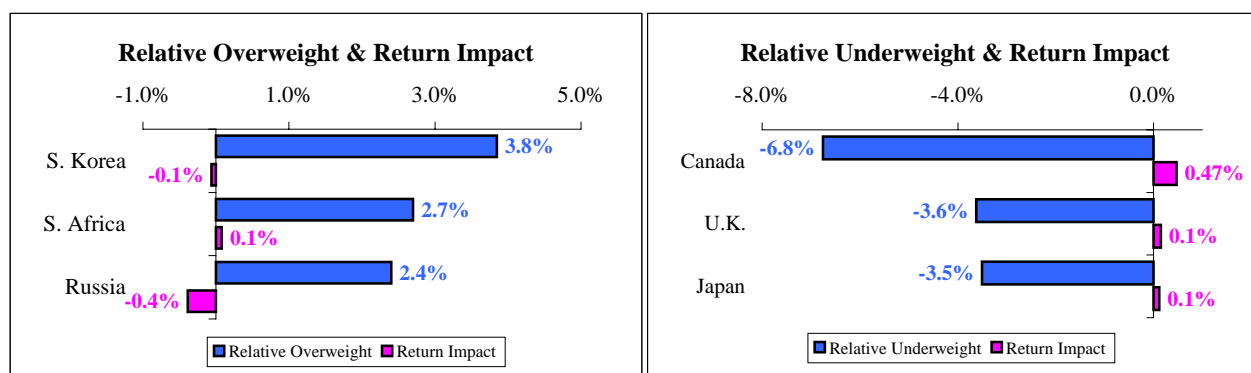
blue = outperform by 50 bp; red = underperform by 50 bp

(* Annualized)

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Total International Equity	-15.5%	-21.8%	-29.4%	4.1%	12.6%
Total Intl Equity ex Pareto	-15.4%	-22.0%	-29.4%	4.2%	12.7%
MSCI EAFE (Net Dividends)	-14.5%	-20.6%	-30.5%	1.1%	9.7%
Mondrian (MSCI EAFE)	-12.4%	-16.2%	-26.2%	3.7%	n/a
Bernstein (MSCI EMF)	-18.3%	-29.5%	-35.3%	5.9%	n/a
Genesis (MSCI EMF)	-16.9%	-21.7%	-25.6%	9.1%	20.9%
MSCI EMF (Gross)	-17.5%	-26.9%	-33.0%	8.7%	19.0%

Country Allocation Summary:

Over-weight Countries	Total Intl Unhedged	MSCI ACW ex U.S.	Under-weight Countries	Total Intl Unhedged	MSCI ACW ex U.S.
S. Korea	6.4%	2.6%	Canada	0.4%	7.2%
S. Africa	4.1%	1.4%	U.K.	12.2%	15.8%
Russia	4.3%	1.9%	Japan	12.1%	15.6%



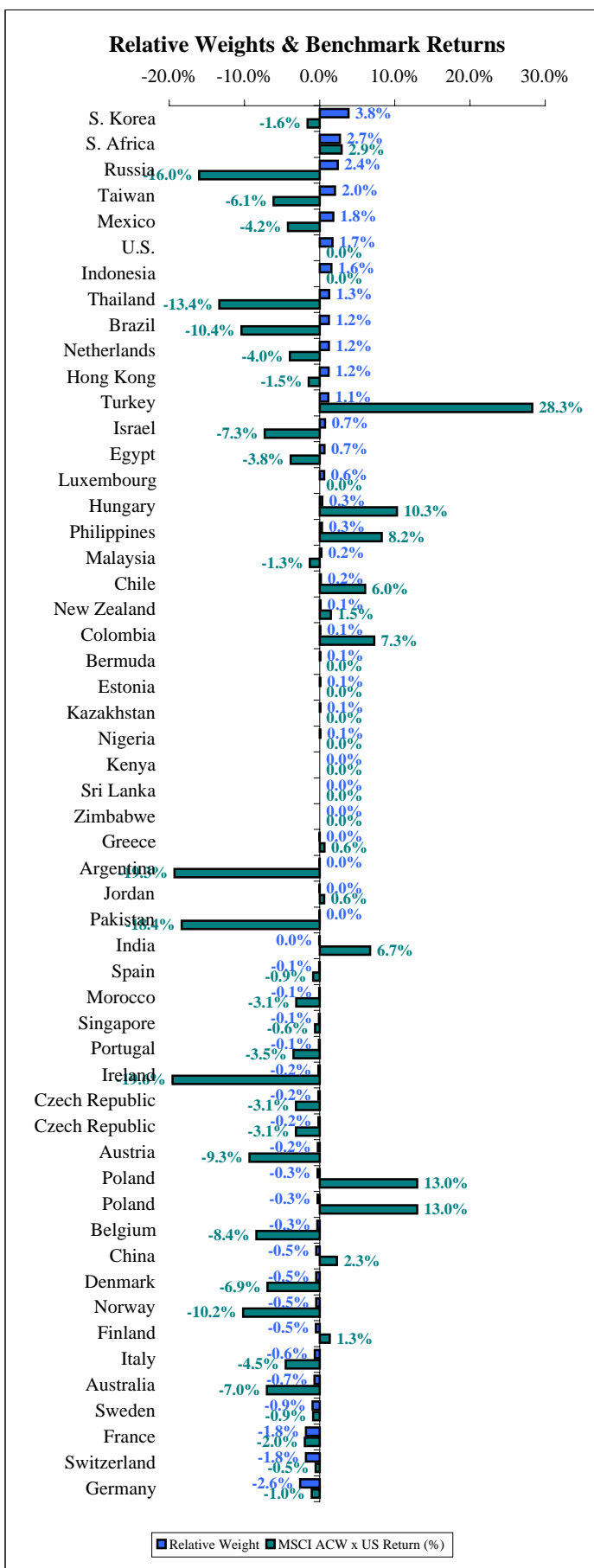
Performance Commentary:

The Total International Equity portion of the portfolio fell behind the MSCI EAFE index during the month by approximately 100 basis points. Our only active developed markets manager, Mondrian, added value, exceeding the MSCI EAFE benchmark by approximately 210 basis points. The emerging markets, represented by the MSCI EMF index, generated a return of -17.5% for the month. Genesis added value, generating a return ahead of the MSCI EMF index by 60 basis points; however this relative outperformance was more than offset by Bernstein, which fell behind the MSCI EMF index by about 80 basis points. The Total International Equity portion of the portfolio continues to add value over the MSCI EAFE index for the last one-year through the last five-year periods.

Total International Equity

Country Allocations versus MSCI ACW ex U.S. Benchmark

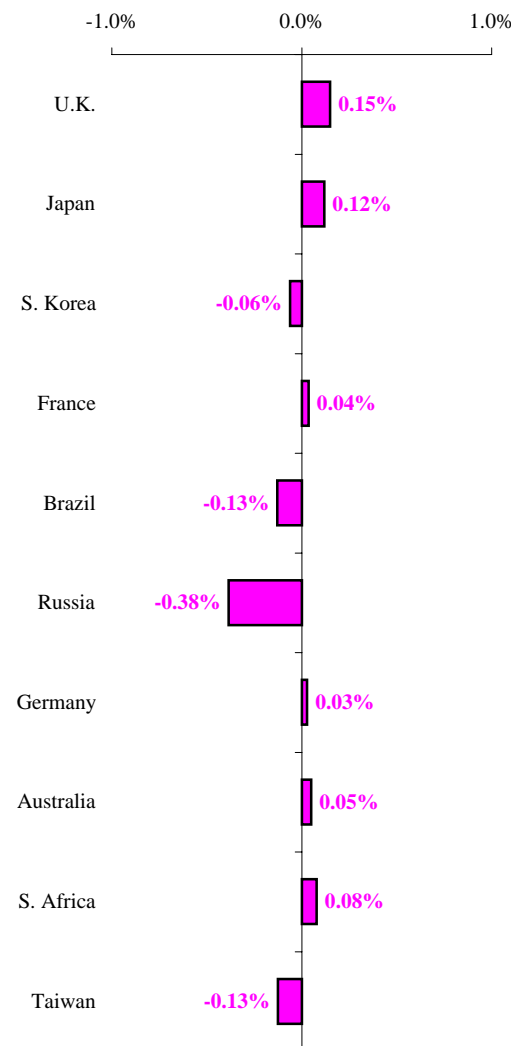
Sep 2008



Top 10 Country Allocations by \$ Invested

Country	PERSI Alloc (\$m)	Relative Weight
U.K.	\$ 155.22	-3.62%
Japan	\$ 154.31	-3.51%
S. Korea	\$ 81.44	3.85%
France	\$ 77.50	-1.83%
Brazil	\$ 57.08	1.24%
Russia	\$ 54.81	2.40%
Germany	\$ 53.46	-2.61%
Australia	\$ 52.43	-0.70%
S. Africa	\$ 52.13	2.70%
Taiwan	\$ 50.72	2.04%

Top 10 Allocations - Return Impact



Total Fixed Income**Lehman Aggregate Benchmark****Sep 2008**

Performance Calculations

blue = outperform by 10 bp; red = underperform by 10 bp

(* Annualized)

	<u>Last Month</u>	<u>Last 3 Months</u>	<u>Last 1 Year</u>	<u>Last 3 Years*</u>	<u>Last 5 Years*</u>
Total Fixed Income	-2.3%	-1.5%	4.2%	4.4%	4.4%
Lehman Aggregate	-1.3%	-0.5%	3.7%	4.2%	3.8%
Total Domestic Fixed	-2.1%	-1.0%	5.5%	4.8%	4.7%
SSGA G/C (Leh G/C)	-2.4%	-1.6%	2.7%	3.7%	3.4%
Lehman Gov/Corp	-2.5%	-1.6%	2.4%	3.6%	3.3%
DBF MBS (Leh Mtge)	0.7%	1.7%	6.7%	5.4%	4.5%
Clearwater TBAs (Leh Mtg)	0.9%	1.8%	6.4%	5.2%	4.7%
Lehman Mortgage	0.8%	1.9%	7.0%	5.5%	4.8%
DBF Mortgages (Leh Mtg)	0.8%	2.9%	12.2%	8.1%	5.8%
Lehman Treasury Bond	0.6%	2.3%	8.7%	5.8%	4.5%
SSGA TIPS (Leh TIPS)	-4.4%	-3.6%	4.5%	3.8%	5.3%
Western TIPS (Leh TIPS)	-4.3%	-3.9%	5.2%	n/a	n/a
Lehman TIPS	-3.8%	-3.5%	6.2%	4.3%	5.2%
Fidelity (Leh Aggr)	-1.7%	-1.4%	0.4%	3.0%	n/a
Lehman Aggregate	-1.3%	-0.5%	3.7%	4.2%	3.8%
Lehman Global Bond	-2.4%	-3.8%	2.8%	4.7%	4.8%
Western Core Full + (Leh Aggr)	-3.8%	-4.9%	-6.3%	1.0%	n/a
Lehman Aggregate	-1.3%	-0.5%	3.7%	4.2%	3.8%
LIBOR + 300 bp	0.2%	0.7%	3.5%	4.6%	3.6%
Total Global Fixed (Leh Aggr)	-2.0%	-1.9%	-0.1%	2.8%	3.6%
Baring (Leh Aggr)	-0.8%	0.3%	5.1%	5.0%	4.9%

Performance Commentary:

The Total Fixed Income portion of the portfolio lagged behind the Lehman Aggregate index by approximately 100 basis points during the month. Among our active domestic fixed income managers, slight underperformance by DBF MBS was offset by Clearwater TBA while the DBF Idaho Commercial Mortgage Portfolio kept pace with the Lehman Mortgage index. Both TIPS managers underperformed the Lehman TIPS index by at least 50 basis points. And both Core Plus managers, Fidelity and Western, underperformed the Lehman Aggregate index during the month. Barings was the only bright spot, generating a return of -0.8%, 50 basis points ahead of the Aggregate index. The Total Fixed Income portion of the portfolio continues to contribute positively to the Total Fund for all longer time periods.

Total Fixed Income

Lehman Aggregate Benchmark

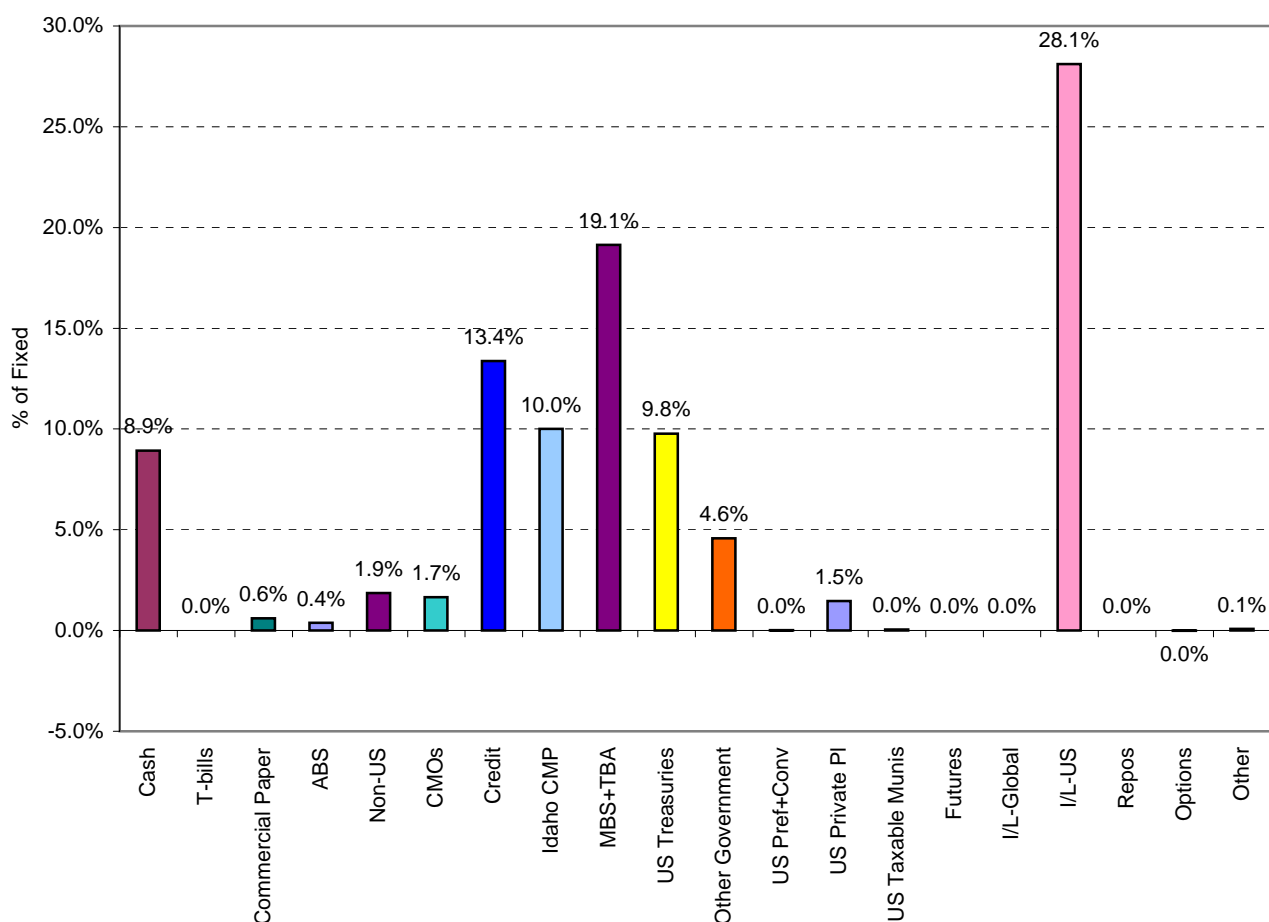
Sep 2008

Portfolio Attributes** (as reported by Russell/Mellon)

** excludes ID Mortgages

	<u>Coupon</u>	<u>Moody Quality</u>	<u>Current Yield</u>	<u>Yield to Maturity</u>	<u>Option Adj Duration</u>	<u>Modified Duration</u>	<u>Effective Convexity</u>	<u>Number of Holdings</u>
Total Fixed	4.30%	AAA	5.06%	5.86%	5.96	6.53	0.36	3,152
SSGA G/C	5.24%	AA1	5.16%	4.79%	4.97	5.09	0.48	1,710
DBF MBS	5.69%	AGY	5.67%	5.62%	3.95	4.54	(1.03)	44
SSGA TIPS	3.40%	UST	3.19%	3.81%	8.59	9.66	1.35	7
Western TIPS	2.80%	AAA	2.73%	4.20%	7.03	7.89	0.74	37
Clearwater TBA *	8.36%	-	8.35%	-79.21%	4.10	4.68	16.74	7
Baring	5.13%	A1	8.93%	7.17%	4.78	5.07	(0.43)	69
Western	6.36%	AA3	7.43%	12.11%	5.30	6.04	(0.77)	448
Fidelity	5.42%	AA2	5.90%	7.59%	4.53	4.92	0.01	829

Sector Allocations



This page intentionally left blank

ADELANTE (PUBLIC RE - REITS)
DOMESTIC EQUITY: WILSHIRE REIT BENCHMARK

FOR THE MONTH OF: **SEPTEMBER** **2008**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Adelante Total Return	-6.57%	-5.12%	-23.29%	1.07%	11.81%
Wilshire REIT Index	-0.42%	4.78%	-12.46%	5.18%	13.43%

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

For the month ending September 30, 2008 – The Account underperformed the Dow Jones Wilshire REIT Index by 615 basis points due to both sector allocation and security selection. The key drivers of the underperformance were security selection within Lodging, Regional Retail and Office along with coupled with our avoidance of the Health Care sector. Storage was the best performing sector in the Index and our lack of exposure also created a drag on performance. The best performing holding was Federal Realty Investment Trust, up 14.2%; the worst performing holding was General Growth Properties, down 42.4%.

For the trailing quarter ending September 30, 2008 - The Account underperformed the Dow Jones Wilshire REIT Index by 990 basis points due to both sector allocation and security selection. Security selection within Office, Regional Retail and Hotel and sector allocation in Lodging, Regional Retail and Office were the primary factors for the underperformance. Sector allocations to Health Care, Regional Retail and Storage also contributed to the underperformance. The overweight to Apartment provided a positive contribution. Our best performing holding was Federal Realty Investment Trust, up 23.5%; the worst performing holding was General Growth Properties, falling 58.4%.

Comments – With the financial collapse of banking brands, nationalization of the GSEs and the Treasury TARP request, investor confidence has been shaken, leading to incredible volatility in REIT shares. With a severe economic contraction ahead and deleveraging on everyone's mind, companies with solid cash flows have succumbed to outsized returns to attract new capital; the Warren Buffet deals, 10% plus warrants pricing for Goldman Sachs and General Electric, have set a short term level which is handicapping other businesses, large and small, as they seek capital. In turn, commercial real estate valuations are under extreme near-term pressure until the credit market stabilizes. We have become a victim (General Growth) in this market environment and continue to closely analyze our holdings; however, short term sentiment is ruling the day. We are very disappointed with our results but continue to believe in the real estate footprint controlled by each of our holdings. We have been increasing our cash exposure in anticipation of pullbacks between now and year-end.

MANAGER STYLE SUMMARY

Adelante (formerly Lend Lease Rosen) manages the public real estate portfolio, comprised of publicly-traded real estate companies, primarily real estate investment trusts (REITs). Investments will generally fall into one of three categories as described in the Portfolio Attributes section: Core holdings, Takeover/Privatization candidates, and Trading Opportunities. Typical portfolio characteristics include current pricing at a discount relative to the underlying real estate value, attractive dividend prospects, low multiple valuations (P/FFO), and expert management. Chadwick Saylor (in conjunction with Hamilton Lane) oversees the investments in this portfolio, along with the private real estate portion.

ADELANTE (PUBLIC RE - REITS)
DOMESTIC EQUITY: WILSHIRE REIT BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

SEPTEMBER

2008

Portfolio Guideline:	Adelante	Wilshire REIT	Calc	Min	Max	Compliance
B2. All securities are publicly-traded real estate companies, primarily real estate investment trusts						ok
B3. Mkt Cap of Issuers of Securities in the Account				\$250		ok
B4. Single Security Positions <= 30% @ purchase						ok
B6a. P/FFO (12-mo trail)	14.46	14.73	0.98		1.30	ok
B6b. Beta	1.02	1.00	1.02	0.70	1.30	ok
B6c. Dividend Yield	4.60	5.04	0.91	0.80	2.00	ok
B6d. Expected FFO Growth	2.46	3.22	76%	80%	120%	check
E2. Commissions not to exceed \$0.06/share						ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines						<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

B6a. P/FFO: Low FFO growth due to deceleration of transactional income for industrial companies and revenues for lodging companies.

PORTFOLIO ATTRIBUTES

Portfolio Guidelines section B5

Core Holdings (40% - 100%)

Actual: 84% ok

Consists of investments with the following characteristics: premier asset portfolios and management teams, attractive dividend yields, low multiple valuations, real estate property types or regions that are less prone to experience the impact of an economic slowdown.

Takeover/Privatization Candidates (0% - 15%)

Actual: 0% ok

Focuses on smaller companies which may be attractive merger candidates or lack the resources to grow the company in the longer-term. Also focuses on companies which may have interest in returning to the private market due to higher private market valuations.

Trading Arbitrage (0% - 20%)

Actual: 9% ok

Focuses on high quality companies which may become over-sold as investors seek liquidity.

ORGANIZATIONAL/PERSONNEL CHANGES

None

ACCOUNT TURNOVER

Gained:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
	Reason(s):				

BARING ASSET MANAGEMENT, INC.
GLOBAL EQUITY: WILSHIRE 5000 BENCHMARK

FOR THE MONTH OF: **SEPTEMBER** **2008**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
Baring Equity	-12.40%	-19.00%	-22.40%	3.60%	8.50%
Wilshire 5000	-9.30%	-8.70%	-21.30%	0.60%	6.00%
MSCI ACWI	-12.50%	-16.50%	-26.50%	1.80%	8.50%

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

Global equity markets fell by another 12.4% in September. This was the fourth consecutive month of declines. No regions delivered positive absolute returns in the month. North America was the best performing region falling by 9.5%. Emerging markets was the worst performing region falling by 17.8%.

The Consumer Staples sector was the top performing sector in the month falling by 4.3%. This was followed by the Health Care sector which fell by 7.3%. The worst performing sectors were the Materials and Energy sectors which fell by 24.2% and 15.9% respectively on the back of falling commodity prices.

It is difficult to express how profound the market events of September were. September saw Fannie Mae and Freddie Mac placed into the conservatorship of the US government, the failure of Lehman Brothers, the sale of Merrill Lynch to Bank of America, the bailout of AIG by the US government, the sale of HBOS, the UK's biggest mortgage lender, to Lloyds TSB, the conversion of Goldman Sachs and Morgan Stanley to commercial bank status, the seizure of Washington Mutual by government regulators and its branches and assets sold to JP Morgan, the rescue of Belgian financial services firm Fortis by three European governments, the state backed rescue of European bank Dexia, and the proposed rescue sale of Wachovia to Citigroup (and now to Wells Fargo). Had these events happened over 10 years we would have called it an eventful decade – that they happened over a single month is astonishing.

The unprecedented stresses in the global financial system clearly weighed on markets, and unfortunately September was another poor month for global equities. The fall in markets has led to very attractive valuation levels for many stocks, and in the medium term we believe this will be an excellent opportunity for long-term investors. However, the most immediate issue for the central authorities is to stabilize the global financial system. This they are attempting to do with never-before-seen levels of intervention in markets.

We again made more changes to the portfolio in the month than we usually do. Following several downgrades from our analysts we sold a number of our tech holdings. We also sold a number of our more economically sensitive stocks including Japanese trading company Mitsui and Singaporean property developer Capitaland. In the month we added UK insurer Admiral Group, Italian oil major ENI, JP Morgan and Dutch telecom company KPN.

The fund outperformed the benchmark in the month. Stock selection in North America and in the Consumer Discretionary sector was good. We were also helped by our overweight allocation to Consumer Staples. Stock selection was weak in Asia and in the Emerging markets.

ORGANIZATIONAL/PERSONNEL CHANGES

none

ACCOUNT TURNOVER

Gained:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
	Reason(s):	n/a			

MANAGER STYLE SUMMARY

Baring tends to be a "top-down" manager, focusing on country and sector allocations with individual stock selection as a secondary consideration. Until the second half of 2004, Barings was asked to customize their portfolio to maintain a large cap growth exposure. Since then, Barings has implemented their fully integrated approach, which should result in portfolio characteristics similar to that of the benchmark, although they may have a tendency toward mid-capitalization stocks. Barings is not a "closet indexer" and is willing to have no presence in a country/region if they feel prospects are poor - this implies more volatility in returns compared to other global managers. Barings will actively hedge foreign currency exposures.

BARING ASSET MANAGEMENT, INC.
GLOBAL EQUITY: WILSHIRE 5000 BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

SEPTEMBER

2008

Portfolio Guideline:	Index	Baring EQ	Calc	Min	Max	Compliance
A1. ETF Security position <= 5% of the account @ purchase						ok
B3. Security position <= 5% of the account @ purchase						ok
B4. Number of issues		92		85	120	ok
B5. Normal Regional Exposures:						
United States & Canada		42%		30%	80%	ok
United Kingdom		15%		0%	30%	ok
Europe ex U.K.		21%		5%	40%	ok
Japan		6%		0%	25%	ok
Pacific ex Japan (Developed Index)		4%		0%	20%	ok
Non-Index Countries (All Emerging)		9%		0%	15%	ok
Cash & Hedges		4%				
Total		100%				
B6. Normal Global Portfolio Characteristics (MSCI All Country World)						
Capitalization	56,734	49,470	87%	70%	130%	ok
Price/Book Value	1.8	2.4	131%	80%	140%	ok
Price/Earnings (Next 12 mo)	10.4	11.3	108%	90%	120%	ok
Price/Cash Flow	6.3	8.6	135%	80%	140%	ok
Dividend Yield	3.2	2.5	78%	60%	120%	ok
Return on Equity	14.2	17.5	123%	75%	150%	ok
Return on Equity (5-Yr Avg)	20.3	25.9	128%	75%	150%	ok
C1. Currency or cross-currency position <= value of hedged securities						ok
No executed forward w/o a corresponding securities position.						ok
C2. Max forward w/ counterpart <= 30% of total mv of account						ok
F2. Brokerage commissions not to exceed \$0.05/share for U.S. equities						ok
F3. Annual turnover					120%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

BARING ASSET MANAGEMENT, INC.
GLOBAL FIXED: LEHMAN AGGREGATE BENCHMARK

FOR THE MONTH OF: **SEPTEMBER** **2008**

MANAGER PERFORMANCE CALCULATIONS

** Annualized returns*

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
Baring FX	-1.04%	0.38%	5.62%	5.08%	4.82%
Lehman Aggregate	-1.34%	-0.49%	3.65%	4.15%	3.78%

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

Your portfolio outperformed the US market return this month (-1.0% versus -1.3%.) Our opportunistic bond market exposures outside the US contributed positively to performance as Australian, Mexican and UK bond markets outperformed. Currency exposures in Mexican peso and Polish zloty offset some of these gains. The move to risk aversion boosted the US dollar as investors repatriated their overseas investments as worries over global growth escalated.

Lehman Brothers was the largest casualty of the financial market meltdown that ensued this month. Other casualties from the US financial sector were Merrill Lynch (acquired by The Bank of America), American International Group (rescued by government intervention from potential collapse) and Wachovia (acquired by Citigroup with US taxpayers' support.) The demise of each of these financial institutions saw a flight from risk and a boost to US government bond markets.

The US government saw it necessary to intervene radically and outlined a whole range of new policy measures in order to solve the core problems within the financial sector. By removing illiquid securities such as Mortgage Backed Securities from bank's balance sheets they hoped to promote a normally functioning banking system. This resulted in US Treasury prices plummet back to their previous levels as risks of financial instability had fallen while risks to US public debt had simultaneously been raised significantly. The failure of the bailout plan to pass in Congress caught the market by surprise and initially US equity markets fell sharply.

Overall despite considerable intra month volatility, yields ended the month marginally higher with the 10 year benchmark yielding 3.8% though shorter dated 2 year bonds closed the period almost 40bps lower yielding 2.0% reflecting the flight to quality and liquidity.

Local currency emerging market debt suffered as investors began to repatriate their emerging market investments as worries over global growth escalated. The JP Morgan GBI EM Diversified index fell 5.4%.

Yields on UK government two year bonds fell from 4.5% to 4.0% over the month. Long dated yields rose from 4.4% to 4.5%. Fear of an increase in gilt sales as the government takes on more debt to help the economy restrained the performance of longer assets. Whilst growing optimism over the prospect of rate cuts fed into short dated Gilts. The UK financial sector also saw some losses this month with Lloyds TSB's rescue of HBOS and the part nationalisation of Bradford & Bingley.

We increased out MBS exposure taking our position to a small overweight. These instruments provided good relative value given their government support and were the best performing sector within the US Aggregate index over the month.

We opened a position in Canada via the purchase of an agency bond guaranteed by the Canadian government. Yields in Canada had jumped temporarily providing an attractive purchase price for the security.

ORGANIZATIONAL/PERSONNEL CHANGES

MANAGER STYLE SUMMARY

BARING ASSET MANAGEMENT, INC.
GLOBAL FIXED: LEHMAN AGGREGATE BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

SEPTEMBER 2008

Portfolio Guideline:	Baring FX	Min	Max	Compliance
A3. Rule 144A securities	0%		3%	ok
B2a. Regional/Sector Allocations:	100%			
NORTH AMERICA	100%	20%	100%	ok
Governments (incl Agy & Supranatl)	25%	0%	100%	ok
Mortgages (incl MBS & 1st Mtg Deb)	46%	0%	60%	ok
Corporates	26%	0%	50%	ok
US\$ Denominated Foreign Sovereigns	1%	0%	20%	ok
Canada	0%	0%	30%	ok
Cash	2%			
JAPAN	0%	0%	40%	ok
MEMBERS OF EMU AND UK	0%	0%	60%	ok
OTHER (ABS, CMBS, munis & other non	0%	0%	15%	ok
Quality Allocations:				
SUB-INVESTMENT GRADE	0%	0%	35%	ok
US \$ Denominated Corporates	0%	0%	100%	ok
US \$ Denominated Foreign Sovereigns	0%	0%	100%	ok
Non-US \$ Denominated Corporates	0%	0%	100%	ok
Non-US \$ Denominated Sovereigns	0%	0%	100%	ok
B2b. Effective Duration +/- 40% of Benchmark		2.68	6.26	
	4.95	4.47	◀ Leh Aggr	ok
B3a. Corporate securities of one issuer <=5%				ok
B3b. Number of positions	65%	30		ok
B3ci. Regional allocations above also apply to forwards				ok
B3cii. Max forward w/single counterpart <=25%				ok
E2. Annual Turnover	31%		250%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines			<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

E2. Annual Turnover: Annual turnover INCLUDING Mortgage B'kd - 265.25%

ACCOUNT TURNOVER

Gained:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
	Reason(s):	N/A			

BERNSTEIN EMERGING MARKETS VALUE
EMERGING MARKETS EQUITY: MSCI EM BENCHMARK

FOR THE MONTH OF: **SEPTEMBER** **2008**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
Bernstein EMV	-18.42%	-29.46%	35.86%	5.54%	
MSCI EMF	-17.50%	-26.95%	-33.20%	8.37%	

COUNTRY ALLOCATION COMPARISON

<u>Over-weight</u>	<u>Bernstein</u>	<u>EMF</u>	<u>Under-weight</u>	<u>Bernstein</u>	<u>EMF</u>
Korea	21.11%	7.69%	China	8.41%	-6.11%
Thailand	5.00%	3.53%	India	3.73%	-3.02%
Israel	4.96%	2.03%	Malaysia	0.00%	-2.57%

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

Market Overview The MSCI Emerging Markets fell 17.5% in US dollar terms during September, underperforming developed markets, which retreated 11.9%, as measured by the MSCI World. The decline in September was the second worst monthly performance by emerging markets (exceeded only by the August 1998 decline of 28.9%). Emerging-market equities remained under pressure as further signs of economic weakness across the world and escalating stress in the global financial system cast a shadow over the outlook for corporate profit growth. All emerging-market countries depreciated during the month, most by double-digits. Major currencies such as the Indian rupee, Brazilian real, and South African rand declined nearly 5%. Every sector fared poorly in September, with economically sensitive industrial commodities, transportation and energy leading the decline. Defensive medical and telecom stocks, while negative, performed best. **Impacts on Performance Outlook** During the month, the portfolio modestly underperformed the MSCI Emerging Markets, gross of fees, as its strategy within the industrial commodities sector outweighed positive returns from its telecommunications stocks. The portfolio's overweight in the market-lagging industrial commodities sector detracted from relative returns as commodity prices fell due to a weakening global economic outlook. Steel manufacturers Gerdau and Usiminas, in particular, hurt as steel prices faced downward pressure on concerns of weaker demand and rising steel exports from China. Copper producers Jiangxi Copper and KGHM Polska Miedz both retreated as copper prices plummeted. Similarly to steel, the outlook for copper consumption has deteriorated and will lead, at least temporarily, to further price reductions and profit squeezing of marginal producers such as KGHM. Broadly speaking, Russian equities sold off sharply after Russia invaded Georgia and amid slumping commodity prices. Against this backdrop, both MMC Norilsk Nickel and Magnitogorsk Iron & Steel suffered. Telecommunications stocks outperformed the market, and portfolio holdings Telefonos de Mexico (Telmex) and China Netcom added to performance. The defensive characteristics of Telmex, along with its attractive dividend yield and strong share buyback program attracted investors. Other positive factors during the month were Korean holdings Samsung and Hyundai Steel. **Outlook** We see that the valuation spread between emerging and developed markets still stands at a slight premium on return on equity basis, but is once again at a discount (-1%) on a price to book basis. However, based on current price-to-earnings and price-to-forward 12-month earnings estimates, emerging markets now trade at a 20% and 21% discount, respectively, to developed markets. Emerging-market companies continue to be more profitable than their developed-market peers, but the underperformance of emerging markets relative to developed markets over the recent months has widened the valuation discount emerging-market stocks enjoyed from parity a few months ago. Finally, we remain confident in the fundamentals of the stocks in our portfolio. However, we will continue to evaluate the short- and long-term impact of the current financial turmoil on the emerging economies, and will adjust our portfolio holdings as needed.

MANAGER STYLE SUMMARY

Bernstein a value-oriented, "bottom-up" manager, focusing on individual security selection, where country and sector allocations are an outgrowth of stock selection. As with their global product, they seek companies which are undervalued relative to their long-term earnings prospects due overreaction by the market. Although country selection is a by-product of the stock selection process, Bernstein seeks to reduce risk and enhance returns by limiting country concentration and maintaining stable country weights, as compared to the historical volatility of country weightings in the MSCI Em Index.

BERNSTEIN EMERGING MARKETS VALUE
EMERGING MARKETS EQUITY: MSCI EM BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE				SEPTEMBER		2008
Portfolio Guideline:	Index	Bernstein	Calc	Min	Max	Compliance
B3. Security position <= 8% of the account @ purchase						ok
B4. Number of issues		97		70	100	ok
B5. Normal Regional Exposures (* benchmark +/- min/max):						
Latin America *	23%	20%		15%	15%	ok
Asia *	51%	51%		15%	15%	ok
EMEA *	28%	25%		15%	15%	ok
Other		3%		0%	20%	ok
Total		100%				
B6. Normal Portfolio Characteristics (MSCI EM)						
Capitalization	30,978	16,364	53%	25%	100%	ok
Price/Book Value	1.8	1.2	69%	30%	100%	ok
Price/Earnings (Next 12 mo)	9.8	6.8	70%	30%	100%	ok
Price/Cash Flow	6.8	4.8	70%	30%	100%	ok
Dividend Yield	3.2	4.8	153%	75%	200%	ok
C1. Currency or cross-currency position <= value of hedged securities						ok
No executed forward w/o a corresponding securities position.						ok
C2. Max forward w/ counterparty <= 30% of total mv of account						ok
F3. Annual turnover		36%		30%	40%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

There were no deviations.

ORGANIZATIONAL/PERSONNEL CHANGES

Firmwide, six portfolio managers, twelve fundamental analysts, and one quantitative analyst were gained. Four portfolio managers, eleven fundamental analysts and one quantitative analyst were lost. AllianceBernstein personnel changes are tracked on a quarterly basis. Personnel gains and losses include internal transfers. Data as of 2Q08

ACCOUNT TURNOVER

Gained:	Number of Accounts:	0	Total Market Value (\$m): \$	-
Lost:	Number of Accounts:	0	Total Market Value (\$m): \$	(5.3)

Reason(s): Non-public information such as Accounts Gained and Lost cannot be disclosed until it is released to the public. This information will be available to PERSI on a quarterly basis.
The numbers above represent Q2 2008.

BERNSTEIN GLOBAL STRATEGIC VALUE
GLOBAL EQUITY: MSCI ACWI BENCHMARK

FOR THE MONTH OF: **SEPTEMBER** **2008**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Bernstein GSV	-17.99%	-24.05%	-37.75%	-2.97%	
MSCI ACWI	-12.50%	-16.61%	-26.87%	1.29%	
Russell 3000	-9.40%	-8.73%	-21.52%	0.26%	

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

Market Overview. Global equities, as measured by the MSCI World in US dollar terms, declined 1.4% during August. In local-currency terms, the MSCI World rallied 1.2%, driven by moderating oil prices, better-than-expected economic data and corporate earnings, and appreciation of the US dollar. Initially, markets moved lower on negative economic reports and earnings results, but stocks rebounded after the US Federal Open Market Committee left interest rates unchanged at 2.0% and oil dipped below \$115 per barrel. A series of positive company earnings results also buoyed the market. Nevertheless, investors were concerned about a global economic slowdown and the military conflict in Georgia. Near month end, however, these fears subsided amid positive economic reports in Japan and the US. Sectors returns were mixed during the month. Industrial commodities and financials underperformed most. Consumer cyclicals and consumer staples shares, on the other hand, held up best. The US dollar appreciated against all major currencies as investors became concerned about slowing growth outside the US and oil prices fell. **Impacts on Performance.** In August, before fees, the portfolio underperformed its benchmark due to negative sector and security selection. Our overweights in industrial commodities and underweight in consumer cyclicals, as well as stock picking in the finance sector, detracted from returns. Financial shares detracted from relative returns in August. A larger-than-expected quarterly loss and broker downgrade weighed on shares of insurer AIG. US Government-sponsored enterprise Fannie Mae retreated after reporting a second-quarter loss and significantly cutting its dividend. Near month end, the mortgage lender restructured management to help restore investor confidence. Other negative factors during the month were Japanese holdings ORIX, Sumitomo Mitsui Financial and JFE Holdings. Broadly speaking, Japanese financials weakened after the Bank of Japan cut its outlook on the economy and as concerns grew about their exposure to the small and medium enterprise and real-estate markets. Contributors included Royal Dutch Shell, Stora Enso and Royal Bank of Scotland. Royal Dutch Shell held up better than other integrated energy companies following second quarter results that were above consensus for revenues, but lower on profitability. Higher crude oil prices bolstered the upstream business but dampened the refining and marketing operations. Share buybacks and official approval for a Canadian acquisition were also well received by the market. A recovery in paper and packaging stocks buoyed shares of Finnish paper and board manufacturer Stora Enso after rival Mondi reported better-than-expected first half results. Royal Bank of Scotland gained as UK banks recovered slightly during the month despite a continued down turn in the housing market. **Outlook.** Our research and experience as value managers have taught us to keep portfolio risk proportionate with the value opportunity we identify. After a lengthy period of compression, valuation spreads have widened. We continue to take advantage of investor overreaction to economic and industrial stresses, using our deep research capabilities to seek out investment opportunities arising from current market volatility.

ORGANIZATIONAL/PERSONNEL CHANGES

Firmwide, six portfolio managers, twelve fundamental analysts, and one quantitative analyst were gained. Four portfolio managers, eleven fundamental analysts and one quantitative analyst were lost. AllianceBernstein personnel changes are tracked on a quarterly basis. Personnel gains and losses include internal transfers. Data as of 2Q08

ACCOUNT TURNOVER

Gained:	Number of Accounts:	3	Total Market Value (\$m):	\$	586.9
Lost:	Number of Accounts:	2	Total Market Value (\$m):	\$	234.5
	Reason(s):	Bernstein is a publically held company and cannot disclose non-public information such as Accounts Gained and Lost until it is released to the public. 2Q08 data above.			

MANAGER STYLE SUMMARY

Bernstein is a research-driven, value-based, "bottom-up" manager, whose process is driven by individual security selection. Country allocations are a by-product of the stock selection process, which drives the portfolio country over and under weights. They invest in companies with long-term earnings power, which are undervalued due to an overreaction by the market. This value bias will result in a portfolio which will tend to have lower P/E and P/B ratios and higher dividend yields, relative to the market. The Global Strategic Value product is a concentrated global equity portfolio, and as such, may experience more volatility relative to the market.

BERNSTEIN GLOBAL STRATEGIC VALUE
GLOBAL EQUITY: MSCI ACWI BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

SEPTEMBER

2008

Portfolio Guideline:	Index	Bernstein	Calc	Min	Max	Compliance
B3. Security position <= 10% of the account @ purchase						ok
B4. Number of issues		85		25	75	check
B5. Normal Regional Exposures (* benchmark +/- min/max):						
United States *	45%	32%		25%	25%	ok
Europe ex U.K. *	19%	28%		15%	15%	ok
UK *	9%	12%		10%	10%	ok
Japan *	9%	13%		10%	10%	ok
Emerging Markets		13%		0%	20%	ok
Other		2%		0%	20%	ok
Total		100%				
B6. Normal Global Portfolio Characteristics (MSCI ACWI)						
Capitalization	61,929	55,868	90%	50%	100%	ok
Price/Book Value	1.8	1.1	61%	50%	100%	ok
Price/Earnings (Next 12 mo)	10.2	7.0	69%	50%	100%	ok
Price/Cash Flow	7.7	4.2	55%	50%	100%	ok
Dividend Yield	3.2	5.0	156%	75%	200%	ok
C1. Currency or cross-currency position <= value of hedged securities						ok
No executed forward w/o a corresponding securities position.						ok
C2. Max forward w/ counterparty <= 30% of total mv of account						ok
Forwards executed with Custodian <= 100% of the total mv of account, given credit check						ok
F2. Brokerage commissions not to exceed \$0.05/share for U.S. equities						ok
F3. Annual turnover		42%		30%	40%	check
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

B4. Number of Issues:

There are some ADR market purchases that have been repurchased in their market. Both are counted.

BRANDES INVESTMENT PARTNERS, L.P.
GLOBAL EQUITY: RUSSELL 3000 BENCHMARK

FOR THE MONTH OF: **SEPTEMBER** **2008**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
Brandes	-15.16%	-16.09%	-35.11%	-3.29%	6.65%
Russell 3000	-9.40%	-8.73%	-21.52%	0.26%	5.70%

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

In September portfolio return was negative and behind the world markets. The portfolio often looks very different from the market and consequently performance can be very different too. This performance gap can go both ways in the short term, but Brandes believes that its philosophy has the potential for long-term outperformance as good periods can outweigh bad periods over the full market cycle. On an industry basis, holdings in the automobiles industry had the largest positive impact. Holdings in the two largest industries in the portfolio, pharmaceuticals and diversified telecommunication services, outperformed the world markets. Stocks in the thrifts & mortgage finance and commercial banks industries had the largest negative impact on performance. Stocks in Japan were among the largest contributors to relative returns. Holdings in the US were among the largest negative contributors to returns. The credit crisis and market volatility have provided long-term opportunities particularly in the financial sector that we have used to upgrade the future potential of the portfolio, although in the short-term this may have a volatile impact on performance. Best performers for the month included Mitsubishi UFJ Financial, Ford, Citigroup and Bank of America. Fannie Mae, Freddie Mac, Wachovia, Washington Mutual and AIG were among the worst performers for the month. In September, Brandes added two new names (Schering-Plough Corp and Texas Instruments) and sold three completely (Marsh & McLennan, Freddie Mac and Fannie Mae). The normal stock-specific trades, as well as changes in the prices of existing shares shifted the portfolio's country and industry exposures slightly. As of 9/30/08, the largest weightings were in the US (underweight), diversified telecom services (large overweight), Japan (overweight), pharmaceuticals (large overweight) and commercial banks (overweight). Overall, Brandes believes the portfolio remains well positioned to deliver favorable long-term results. While Brandes monitors short-term events in international equity markets, its investment philosophy focuses on company-by-company analysis with a long-term perspective. This summary includes shorter-term and top-down information, but Brandes continues to focus on applying its bottom-up, value philosophy over the long term with the goal of delivering better-than-benchmark results.

ORGANIZATIONAL/PERSONNEL CHANGES

ACCOUNT TURNOVER

Gained:	Number of Accounts:	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	Total Market Value (\$m):	\$	-
	Reason(s):			

MANAGER STYLE SUMMARY

Brandes is a classic "bottom-up" manager, focusing primarily on individual security selection (while country allocation is a secondary consideration), with a "value" bias, purchasing stocks primarily on the perceived undervaluation of their existing assets or current earnings. Consequently, the securities in the portfolio will tend to have a higher dividend yield and lower P/E and P/Book ratios compared to the market. Brandes' classic Graham and Dodd value investment style combined with the relatively low number of stocks in the portfolio results in large gains or losses on the portfolio. What has been encouraging is that Brandes has turned in good returns when the markets generally have rewarded growth, rather than value, styles.

BRANDES INVESTMENT PARTNERS, L.P.
GLOBAL EQUITY: RUSSELL 3000 BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

SEPTEMBER

2008

Portfolio Guideline:	Index	Brandes	Calc	Min	Max	Compliance
B3. Security position <= 5% of the account @ purchase						ok
B4. Number of issues		84		40	70	check
B5. Normal Country Exposures:						
United States & Canada		44%		30%	100%	ok
Americas ex U.S.		4%		0%	40%	ok
United Kingdom		10%		0%	25%	ok
Europe ex U.K.		22%		0%	50%	ok
Japan		18%		0%	45%	ok
Pacific ex Japan		1%		0%	40%	ok
Non-Index Countries		0%		0%	20%	ok
Cash & Hedges		1%				
Total		100%				
B6. Normal International Portfolio Characteristics (FTSE All World ex U.S. "Large")						
Capitalization	\$83,487	\$53,222	64%	30%	125%	ok
Price/Book Value	2.2	2.1	96%	50%	100%	ok
Price/Earnings	13.8	13.7	99%	50%	100%	ok
Price/Cash Flow	9.2	8.5	92%	50%	100%	ok
Dividend Yield	2.4	2.7	111%	90%	150%	ok
B7. Normal U.S. Portfolio Characteristics (Russell 3000)						
Capitalization	\$44,137	\$49,633	112%	30%	125%	ok
Price/Book Value	1.6	2.1	131%	50%	100%	check
Price/Earnings	10.3	13.1	127%	50%	100%	check
Price/Cash Flow	6.6	7.7	116%	50%	100%	check
Dividend Yield	3.9	3.7	95%	90%	150%	ok
C1. Currency or cross-currency position <= value of hedged securities						ok
No executed forward w/o a corresponding securities position.						ok
C2. Max forward w/ counterpart <= 30% of total mv of account						ok
F2. Brokerage commissions not to exceed \$0.05/share or 50% of principal (non-U.S.)						ok
F2. Annual turnover		26%			100%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

B4. Number of Issues:	Several equity securities of the same company (e.g., ADR/local), breakup of Telebras, and number of available companies at attractive valuations.
B7. Price/Book Value:	Brandes found value in a number of companies with relatively low book values like communication/technology stocks.
B7. Price/Earnings:	Brandes found value in a number of companies with low last-reported earnings.
B7. Price/Cash Flow:	Brandes found value in a number of companies with low last-reported cash flow.

CAPITAL GUARDIAN TRUST COMPANY
GLOBAL EQUITY: RUSSELL 3000 BENCHMARK

FOR THE MONTH OF: **SEPTEMBER** **2008**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Capital Guardian	-11.56%	-17.20%	-26.81%	0.36%	6.67%
MSCI World	-11.86%	-15.18%	-23.97%	1.14%	7.76%

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

World Markets - September Stocks, non-government bonds and commodities plummeted as concerted government actions to stem the deepest financial crisis in the post-war era met with only partial success. U.S. authorities nationalized the country's two major mortgage agencies, took over a leading insurer, pushed for the passage of a \$700 billion financial rescue package and arranged the buyout of several banks, averting a total market breakdown. The U.K. nationalized one mortgage lender and facilitated the takeover of another, while Ireland extended its sovereign guarantee to most bank obligations. However, the U.S. decision to allow the failure of Lehman Brothers and the repudiation of select unsecured bond and preferred stock obligations roiled credit markets, with money markets coming to a near-halt and corporate bonds tumbling. Major central banks flooded markets with liquidity but impaired capital markets kept credit from flowing to households and businesses, fueling fears that a slowing global economy could slide into a recession. Stocks fell worldwide, commodities retreated, government bonds rallied and the dollar rose against most currencies.

September Portfolio Attribution: Stock selection in information technology helped in September. Sandisk Corp. (0.7% of the portfolio) was up 24%. Underweighting and stock selection in financials detracted from results. ING Groep (0.8%) and Goldman Sachs (1.1%) were down 22% and 33% respectively. Underweighting and stock selection in the U.S. hurt results. Schlumberger Ltd (1.5%) was down 17%, Cleveland Cliffs Inc. (0.4%) was down 48%, and Genentech (2.2%) was down 10%.

Rolling 3-month Attribution: Overweighting and stock selection in Canada detracted from results (Potash Corp, Canadian Natural Resources). Underweighting and stock selection in the U.S. also hurt results (Fannie Mae, Freddie Mac, Schlumberger). Stock selection in health care helped (Genentech, Imclone Systems, Abbott Labs).

Outlook and Strategy: As U.S. financial and economic problems continue to spread across the globe, many developed economies appear likely to enter a recession. In both the U.S. and parts of Europe, the deepening financial crisis and weak housing markets remain a huge constraint on economic growth. The Japanese economy also remains sluggish, hindered by political instability. The likelihood of further turmoil for financial companies - coupled with the prospect of increased regulation and reduced profit growth over the medium term - has reinforced our conviction in our underweight position in the sector. As the global economy slows, demand for raw materials and oil may continue to fall, a concern that has prompted some portfolio managers to reduce holdings in a number of energy and materials stocks. Our reductions in certain areas have allowed us to invest in companies we believe are better placed to meet the challenges ahead. We have increased our holdings in a range of consumer staples companies, whose profits should hold up well in tough market conditions, as well as health care stocks. Information technology remains a key theme in the portfolio, as we expect many companies in the sector to benefit from strong balance sheets and exposure to market trends that will remain robust even as the economy slows.

ORGANIZATIONAL/PERSONNEL CHANGES

No significant personnel changes occurred during the month of September. There will be personnel changes for October.

ACCOUNT TURNOVER

Gained:	Number of Accounts:	Total Market Value (\$m):
Lost:	Number of Accounts: 2	Total Market Value (\$m): \$ 556.0
	Reason(s):	These were global equity ex-Canada accounts which were terminated for performance reasons.

MANAGER STYLE SUMMARY

Capital Guardian is a "bottom-up" manager, focusing on individual security selection in light of macroeconomic factors (country, sectors, currency). Capital Guardian's investment process is unique in that it is essentially a portfolio of 10 independently managed portfolios consisting of one U.S., one North America, three non-U.S., and five global managers (one of which is the research portfolio). Portfolio manager allocations are based on portfolio management experience.

CAPITAL GUARDIAN TRUST COMPANY
GLOBAL EQUITY: RUSSELL 3000 BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

SEPTEMBER

2008

Portfolio Guideline:	Index	CGTC	Calc	Min	Max	Compliance
B3. Security position <= 5% of the account @ purchase						ok
B4. Number of issues	240			200	250	ok
B5. Normal Country Exposures:						
United States	44%				75%	ok
Emerging Markets	5%				10%	ok
The following are limited to the larger of 25% of the total portfolio or 2 times the MSCI World benchmark weight:						
Japan	10%	13%	1.3		25%	ok
United Kingdom	10%	8%	0.8		25%	ok
Germany	4%	2%	0.4		25%	ok
France	5%	7%	1.4		25%	ok
Switzerland	4%	5%	1.4		25%	ok
The following are limited to the larger of 10% of the total portfolio or 3 times the MSCI World benchmark weight:						
Other MSCI World (incl Can)	13%	16%	1.3		10%	ok
B6. Normal International Portfolio Characteristics (MSCI EAFE)						
Capitalization (wtd avg)	49	41	84%	60%	100%	ok
Price/Earnings (trail)	9.8	10.7	109%	80%	135%	ok
Dividend Yield	4.2	3.2	77%	80%	105%	check
Price/Book Value	1.6	2.0	126%	90%	120%	check
B7. Normal U.S. Portfolio Characteristics (Russell 3000)						
Capitalization (wtd avg)	71	68	96%	40%	75%	check
Price/Earnings (trail)	14.0	15.3	109%	90%	125%	ok
Dividend Yield	2.3	1.6	72%	70%	110%	ok
Price/Book Value	2.1	2.2	106%	70%	105%	check
C1. Currency or cross-currency position <= value of hedged securities						ok
No executed forward w/o a corresponding securities position.						ok
C2. Max forward w/ counterpart <= 30% of total mv of account						ok
F2. Brokerage commissions not to exceed \$0.05/share for U.S. equities						ok
F3. Annual turnover	63%				120%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

B6. Dividend Yield:	Through our bottom-up stock selection process, we are holding names that on average have a relatively low dividend yield.
B6. Price/Book Value:	Through our bottom-up stock selection process, we are holding names that on average have a relatively high price to book value.
B7. Capitalization (wtd avg):	Through our bottom-up stock selection process, we are holding names that on average have a relatively high market capitalization.
B7. Price/Book Value:	Through our bottom-up stock selection process, we are holding names that on average have a relatively high price to book value.

CLEARWATER ADVISORS, LLP
MORTGAGE TBAs: MERRILL LYNCH MORTGAGE MASTER BENCHMARK

FOR THE MONTH OF: **SEPTEMBER** **2008**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Clearwater (CW) TBA	0.63%	1.66%	6.47%	5.19%	4.68%
CW TBA + CW Cash	0.66%	1.78%	6.97%	5.44%	4.84%
Merrill Lynch Mortgage Mast	0.84%	1.96%	7.14%	5.58%	4.87%

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

Short end rates moved down significantly in September, 30 basis points in the 6 month space and 77 bps for 3 months. Two year swap spreads widened by about 50 basis points to a near record of 145 bps. Fed funds futures show a 100% probability of at least 25 bps cut by the October meeting. Investors are eagerly awaiting news from Congress to see if the \$700 billion bailout passes. It seems likely to pass at this point but it remains to be seen what effect it will have on the markets. The 5-10 year Treasury Index returned .325%. The TBA portfolio under performed the Merrill Lynch Mortgage Master Index due to overweight to FNCI 6.0s which were among the worst performers for the month.

PORTFOLIO GUIDELINE COMPLIANCE

Portfolio Guideline:	Clearwater	Min	Max	Compliance
A1. The account shall consist solely of dollar denominated TBA mortgage securities				ok
B2a. Effective duration +/- 10% of index	3.76	3.56	◀ ML Mtge	ok
B2b. Number of securities	6	5	30	ok
Cash position covers TBA positions (in \$ millions)	Cash	\$ 173.7		
	TBA positions	\$ 170.1		ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines			<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

There were no deviations.

ORGANIZATIONAL/PERSONNEL CHANGES

ACCOUNT TURNOVER

Gained:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
	Reason(s):	N/A			

MANAGER STYLE SUMMARY

The mortgage TBA portfolio consists of "To Be Announced" mortgage-backed securities. These are pools of mortgages which are yet to be issued and can be purchased without immediate cash payment. PERSI requires a cash balance large enough to cover all TBA positions, thus, this portfolio will tend to maintain a high cash position. The "TBA + CW Cash" performance includes the excess returns over Mellon STIF generated by the Clearwater Cash portfolio.

CLEARWATER ADVISORS, LLP**CASH: 90-DAY LIBOR**

FOR THE MONTH OF:

SEPTEMBER

2008

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Clearwater - PERSI STIF	0.25%	0.66%	3.81%	4.71%	3.62%
ML 3 Month LIBOR	-0.05%	0.42%	3.88%	4.72%	3.57%

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

The events of September have caused investors to carefully reevaluate their portfolios' liquidity and safety as even 2a-7 Money Market Funds—once considered one of the safest asset classes—falterd. Risk aversion pushed yields on short term T-bills into negative territory on more than two occasions, and the yield curve as measured by the spread between 2yr and 10yr notes steepened 42 bp by month's end from 144 bp to 186 bp. 3 Month LIBOR rose 124 basis points while the yield on the 2 year treasury yield fell 41 basis points. Expectations of the Fed tightening this year have fallen to a 0% probability and now a 100% probability is priced in for at least a 50 basis point cut at the October 29th meeting. Given the extreme market conditions, we are increasing our allocation to agencies while we re-evaluate the liquidity strength of various sectors.

PORTFOLIO GUIDELINE COMPLIANCE

Portfolio Guideline:	Clearwater	Min	Max	Compliance
B2a. Sector Allocations:	100%			
Treasuries	0%	0%	100%	ok
Agencies	16%	0%	100%	ok
Corporates	2%	0%	100%	ok
Mortgage Backed Securities (MBSs)	0%	0%	60%	ok
Asset Backed Securities (ABSs)	0%	0%	40%	ok
Cash	3%	0%	100%	ok
Commercial Paper	80%	0%	100%	ok
B2b. Quality: Securities must be rated investment grade by S&P or Moody's at time of purchase				ok
B2c. Effective Duration <=18 months	1		18	ok
B2d. Number of securities	29	10	50	ok
B3a. Allocation of corporate securities to one issuer	4%		5%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines			<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES**MANAGER STYLE SUMMARY**

The enhanced cash portfolio was created with the expectation that the portfolio will generate returns similar to, or in slight excess of, the Mellon Short-Term Investment Fund (STIF), while providing PERSI with an increased level of transparency into the cash portfolio.

D.B. FITZPATRICK & Co., INC. - IDAHO COMMERCIAL MORTGAGE PORTFOLIO
DOMESTIC FIXED: LEHMAN MORTGAGE BENCHMARK

FOR THE MONTH OF: **SEPTEMBER** **2008**

MANAGER PERFORMANCE CALCULATIONS

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Idaho Commercial Mortgages	0.83%	2.85%	12.11%	8.05%	5.82%
Lehman Mortgage	0.75%	1.87%	7.01%	5.52%	4.84%

PORTFOLIO SUMMARY

Market Value \$ 352,133,625

Delinquencies/REOs

		<u>\$ Amt</u>	<u>% of Portfolio</u>
Originations/Payoffs	30 days	\$ -	0.00%
	60 days	\$ -	0.00%
	90 days	\$ -	0.00%
	120+ days	\$ -	0.00%
	REOs	\$ -	0.00%
Month:	\$ 2,535,000		
Year to Date:	\$ 34,937,108		
Payoffs:	\$ 689,738		

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

During the month of September, the PERSI Commercial Mortgage Portfolio outperformed the Lehman Mortgage Index by 8 basis points and outperformed the Lehman Aggregate Index by 217 basis points. Yields on 1-year through 7-year US Treasury securities fell during the month which contributed to a positive return.

For the quarter, the PERSI Commercial Mortgage Portfolio has returned 2.85%, versus the Lehman Mortgage Index return of 1.87% and the Lehman Aggregate Index return of -0.48%. The outperformance of the PERSI Commercial Mortgage Portfolio was due to the pricing off US Treasuries coupled with the fact that US Treasuries themselves dramatically outperformed credit risk bonds.

We are watching credit markets and conditions with great interest in order to maintain high credit quality and low risk in new PERSI commercial mortgage originations.

MANAGER STYLE SUMMARY

The Idaho Commercial Mortgage portfolio is managed by DBF and consists of directly owned Idaho commercial mortgages. DBF oversees the origination process, the monitoring of the portfolio, and services 50% of the portfolio.

This page left intentionally blank

D.B. FITZPATRICK & Co., INC. - MBS PORTFOLIO
DOMESTIC FIXED: LEHMAN MORTGAGE BENCHMARK

FOR THE MONTH OF: **SEPTEMBER** **2008**

MANAGER PERFORMANCE CALCULATIONS

** Annualized returns*

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
DBF MBS	0.67%	1.65%	6.68%	5.40%	4.56%
Lehman Mortgage	0.75%	1.87%	7.01%	5.52%	4.84%

PORTFOLIO ATTRIBUTES

<u>Characteristics</u>	<u>DBF</u>	<u>Leh Mtge</u>
Market Value (\$ m)	\$171.18	N/A
Weighted Average <i>Effective</i> Duration (in years)	3.7	3.5
Weighted Average Yield (in %)	5.4%	5.5%
Weighted Average Coupon (in %)	5.5%	5.5%

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

The PERSI MBS portfolio trailed the Lehman Mortgage Index by 8 basis points during September. This underperformance was the result of two factors: 1) the slightly higher-than-index coupon distribution maintained during the month, and 2) the higher-than-index allocation to short 10-yr and 15-yr MBS, which generally underperformed the broad index. During the month we purchased a 4.5% coupon 30-year, which brought portfolio attributes closer to index target attributes. We expect the portfolio to track the Lehman Mortgage index closely going forward.

Interest rates are likely to remain volatile in the short-term. However, we expect rates will begin to rise within the next 12 months as the credit crisis works its way through the economy and the Fed continues to provide liquidity to the financial markets. We think the "bail-out" recently announced may end up being inflationary down the road, depending on how much Treasury debt (used to fund the purchase of troubled assets) ends up being monetized by the Fed.

MANAGER STYLE SUMMARY

DBF's MBS (Mortgage Backed Security) portfolio is a "core" holding which attempts to generally track the returns of the Lehman Mortgage Index. Excess returns are added through security selection and interest rate bets, although such bets are expected to be limited and relatively low-risk. DBF also manages the Idaho Mortgage Program in conjunction with this portfolio -- the MBS portfolio serves as a "cash reserve" of sorts, to fund mortgages managed through the Idaho Mortgage Program. Consequently, we expect this portfolio to hold traditional MBS instruments and to maintain a reasonably healthy status, with no significant bets which could go significantly awry.

D.B. FITZPATRICK & Co., INC. - MBS PORTFOLIO
DOMESTIC FIXED: LEHMAN MORTGAGE BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

SEPTEMBER 2008

Portfolio Guideline:		DBF	Min	Max	Compliance
B2.	Minimum portfolio size	\$171	\$50		ok
B2a. Security Type:					
MORTGAGE RELATED		98%	80%	100%	ok
Generic MBSs		98%	75%	100%	ok
GNMAs		6.8%			
FNMA's		51.9%			
FHLMCs		39.1%			
CMOs		0.0%	0%	25%	ok
NON-MORTGAGE RELATED		0.0%	0%	20%	ok
Treasuries		0.0%	0%	20%	ok
Agencies		0.0%	0%	20%	ok
Cash		2.2%	0%	10%	ok
Attributes:	▼ Leh Mtge				
Duration	3.5	3.7	1.5	5.5	ok
Coupon	5.5%	5.5%	4.5%	6.5%	ok
Quality	AAA+	AAA+	AAA		ok
B3.	Individual Securities excluding Treasuries as a % of portfolio		0%	5%	ok
B4.	Number of securities	43	25	50	ok
E2.	Annual Turnover	12%	0%	25%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines				<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

ORGANIZATIONAL/PERSONNEL CHANGES

ACCOUNT TURNOVER

Gained:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
	Reason(s):	N/A			

DONALD SMITH & CO., INC.
DOMESTIC EQUITY: RUSSELL 3000 BENCHMARK

FOR THE MONTH OF: **SEPTEMBER** **2008**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Donald Smith & Co.	-8.10%	-4.97%	-26.14%	-0.44%	n/a
Russell 3000	-9.40%	-8.73%	-21.52%	0.26%	n/a

PORTFOLIO ATTRIBUTES

<u>Characteristics</u>	<u>DSCO</u>	<u>RU 3000</u>	<u>Sector Analysis</u>		
			<u>Over-weight</u>	<u>DSCO</u>	<u>RU 3000</u>
Mkt Value (\$m)	181.22	N/A	Financial Serv	18.30%	17.71%
Wtd Cap (\$b)	2.35	71.71	Autos/Transpc	13.30%	2.69%
P/E	5.30	12.50	Utilities	13.00%	6.45%
Beta	1.08	0.91			
Yield (%)	2.50	2.26			
Earnings Growth			<u>Under-weight</u>	<u>DSCO</u>	<u>RU 3000</u>
			Healthcare	0.00%	13.34%
			Technology	10.20%	13.98%
			Consumer Sta]	0.00%	8.28%

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

The account outperformed the Russell 3000 in the latest month. The cash position helped absorb some of the large declines experienced by the market and a few of our stocks. Unum Group was a positive performer, and relative outperformers included companies that would benefit from lower energy prices, such as Pinnacle West, Alaska Air and Air France. The three semiconductor companies -- Qimonda, Semiconductor Manufacturing and Spansion -- continued to be a performance drag, as prices for memory chips declined further during the quarter.

The position in Unum Group was eliminated after achieving 63.9% appreciation. Pinnacle West was reduced slightly, and positions were increased in American National and Qimonda.

At quarter-end, the portfolio sold at only 60% of tangible book value, which compares very favorably with the S&P 500 at 376% of book. We have remained relatively cautious, and we believe that the decline in housing prices, one of the root causes of today's crisis, is not complete.

MANAGER STYLE SUMMARY

Donald Smith & Co manages an all-cap portfolio, employing a bottom-up, deep value investment strategy. They invest in stocks with low P/B ratios and which are undervalued given their long-term earnings potential. Consequently, the portfolio will consist of securities with higher dividend yield and lower P/B and P/E ratios relative to the market. This is a concentrated portfolio, consisting of approximately 15-35 issues, and as a result, may experience more volatility than the market.

DONALD SMITH & Co., INC.
DOMESTIC EQUITY: RUSSELL 3000 BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

SEPTEMBER

2008

Portfolio Guideline:	DSCO	RU 3000	Calc	Min	Max	Compliance
B2. Security Market Cap (in \$m) > \$100 m @ purchase						ok
B3. Security Positions <= 15% @ purchase						ok
B4. Number of issues	18			15	35	ok
B5. Portfolio Characteristics						
P/B	0.60	2.21	27%	30%	100%	check
P/E (1 Year Forward)	5.30	12.50	42%	50%	100%	check
Dividend Yield	2.50	2.26	111%	50%	150%	ok
Beta	1.08	0.91	119%	70%	130%	ok
F2. Commissions not to exceed \$0.05/share; explanation required for commissions >\$0.07/share						ok
F3. Annual Turnover	14%			20%	40%	check
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

B5. P/E (1 Yr Forward):	Our stocks usually sell at low P/Es based on normalized earnings.
F3. Annual Turnover:	As we are long-term investors, our turnovers are always on the lower end.
B5. P/B:	Our primary approach is to buy low P/B stocks selling at discounts to tangible book value.

ORGANIZATIONAL/PERSONNEL CHANGES

None

ACCOUNT TURNOVER

Gained:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	1	Total Market Value (\$m):	\$	148.0
	Reason(s):	We lost one client after they hired a new consultant who swifited the mandate back to growth style from value.			

FIDELITY INVESTMENTS
GLOBAL FIXED: LEHMAN AGGREGATE BENCHMARK

FOR THE MONTH OF: **SEPTEMBER** **2008**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Fidelity	-2.27%	-2.23%	-0.42%	2.84%	n/a
Lehman Aggregate	-1.34%	-0.49%	3.65%	4.15%	

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

A flight to safety due to mounting evidence of an economic downturn drove interest rates sharply lower across the front end of the yield curve in September. Yields on 6 month Treasuries ended the month at 161 bps, down 43 bps, while 2 year Treasuries ended the month at 196 bps, down 41 bps for the month. Spurring the flight to safety was the failure of a major money market fund as well as a run on several other large money market funds. The impact of the credit market turmoil further out on the curve was far more modest. Yields on 10 year Treasuries nudged up by 1 bps to 382 bps, while 30 year rates were 11 bps lower at 431 bps. With no apparent end to the credit squeeze in sight, speculation that the Federal Reserve would again reduce the target federal funds rate intensified at month end.

The ISM Manufacturing Index fell to 43.5 in September, down from the August reading of 49.9 and below the estimated 49.5, as activity fell to a seven-year low. Retail sales surprised on the downside, dropping 0.3%, which was below the expected 0.3% increase. The unemployment rate soared to 6.1%, the highest level since 2003, as employers trimmed jobs for the ninth straight month. The employment report was weak across the board, most notably showing that payroll jobs fell 159,000, which was twice as much as the average of the prior three months. Meanwhile, consumer prices eased slightly as energy prices fell. The CPI declined 0.1%, in line with the decrease expected by economists and below the 0.8% rise in the prior month.

The Lehman Brothers Aggregate Index returned -1.34% in September, while all spread sectors with the exception of MBS underperformed their same-duration Treasuries. The Government's Troubled Asset Relief Program (TARP) was at the center of overall market activity at the end of the month, causing spreads to seesaw daily. Within MBS, the sector benefited from the anticipation of the US government's purchases of agency MBS, in an effort to help stem the decline in home prices by increasing affordability. The Credit sector continued to take a beating as fears grew that even with the TARP program in place, it may not be enough to materially improve credit conditions or lead to stronger growth in near term.

The portfolio underperformed the benchmark for the month. Detracting from relative returns was the portfolio's overweights to CMBS, Credit, and ABS, as well as the allocation to HYCMBS. Adding to relative performance were underweight positions to most of the specific finance issuers that experienced the sharpest declines in September.

ORGANIZATIONAL/PERSONNEL CHANGES

None

ACCOUNT TURNOVER

Gained:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
	Reason(s):				

MANAGER STYLE SUMMARY

Fidelity manages a customized portfolio for PERSI, which falls outside of their traditional Core Plus product. The primary difference is the separate account structure of the 'plus' sectors, which include High Yield, Emerging Market Debt and High Yield Commercial Mortgage Backed Securities. This portfolio is expected to be more volatile than the traditional underlying product due to the tactical and concentrated nature of the 'plus' sectors.

FIDELITY INVESTMENTS
GLOBAL FIXED: LEHMAN AGGREGATE BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE		SEPTEMBER 2008			
Portfolio Guideline:	Leh Aggr	Fidelity	Min	Max	Compliance
B2a. Sector Allocations					
North America					
Governments		17%	0%	100%	ok
MBS & ABS		49%	0%	60%	ok
Investment Grade Corporates		25%	0%	100%	ok
High Yield		0%	0%	40%	ok
High Yield CMBS		4%	0%	20%	ok
Non-US					
Emerging Market Debt		0%	0%	20%	ok
Investment Grade		0%	0%	40%	ok
B2a. Quality Allocations: Below Investment Grade					
U.S.		2%	0%	50%	ok
Non-\$ Denominated		0%	0%	20%	ok
B2b. Portfolio Characteristics					
Effective Duration	4.61	4.38	3.00	7.00	ok
Effective Convexity	-0.45	-0.21	-0.70	0.70	ok
Coupon	5.30	4.61	3.00	9.00	ok
Current Yield	5.27	4.73	3.00	9.00	ok
Yield to Maturity	5.24	7.01	3.00	9.00	ok
Number of holdings			150	400	
B2c. Credit Quality: Issues below Baa3 & BBB-/A2 and P2					
		2%	0%	50%	ok
B2d. Derivatives:					
Original futures margin & option premiums		0%	0%	5%	ok
Short options positions hedged w/cash, cash equiv, current holdings or other positions					ok
B2e. Commodities:					
		0%	0%	5%	ok
B3a. Allocation to securities of any corporate issuer					
		1%	0%	5%	ok
B3b. Foreign currency forward contracts					
i. Sector allocations above apply to currency exposure					ok
ii. Aggregate forward exposure w/any single counterpart		0%	0%	25%	ok
v. Max value of forward w/any single counterparty		0%	0%	30%	ok
E2. Annual Turnover (including mortgage rolls)					
		150%	150%	450%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines				<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

There were no deviations.

FORTIS INVESTMENTS
GLOBAL EQUITY: MSCI ACWI BENCHMARK

FOR THE MONTH OF: **SEPTEMBER** **2008**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
Fortis	-12.57%				
MSCI ACWI	-12.50%				

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

The markets began September on shaky ground and finished in a heap of rubble as a crisis of confidence in the financial system sparked panic selling. As major financial institutions such as Lehman Brothers, Merrill Lynch and AIG collapsed the VIX (volatility index) spiked to an all-time high. As the market looked for stability the US congress rejected a plan to stabilize financial markets, sending stocks plummeting and investors running for cover in treasuries as yields dove sharply lower. Emerging markets and the commodity sectors sold off the sharpest amidst concerns of weakening growth.

The fund slightly underperformed the benchmark in September as we were hurt by our growth style bias as well as from our stock selection in the materials and industrials sectors. Amidst the volatility value stocks outperformed growth stocks by nearly 4% in September. Our position in Cleveland-Cliffs, the largest producer of iron ore pellets in North America was the largest detractor from performance as the stock got pounded amidst the commodity stock sell-off. We continue to like the company's prospects and currently believe it to be severely undervalued.

While we expect to see the market trade sideways until the dust settles, we have become more bullish again as we are beginning to see the work-through in the system in the US. We take comfort in seeing some of the aggressive moves by policy-makers to avoid a situation that could inevitably resemble Japan in the 1990s. We do however remain concerned about the environment in Europe as economic growth is quickly slowing and financial institutions with weak capital positions remain under pressure. We also believe that the problems in Europe could exacerbate without common government intervention. Within Asia, we continue to see China as a highly geared play as its enormous capex represents operating leverage. Our concern with leverage which is clearly illustrated in current credit markets is that when the top-line drops the bottom-line drops more. We have maintained conservative exposure to emerging markets and continue to do so as investors remain risk-averse. In many ways investors are seeking safety in transparency by shifting from long duration to short duration and emerging markets represent long duration plays.

While visibility of growth appears low at the sector and country level, we continue to find attractive opportunities at the stock level. Within consumer staples we are positioned in companies with healthy pricing power. In discretionary, we favor companies with strong balance sheets and solid business models that will be well positioned heading into a recovery. In industrials, the companies that are exposed to infrastructure spending and mining investments remain attractive. In energy we have increased our exposure to integrated companies as the declining oil price is leading to better margins. In health care we remain positioned in high growth large cap biotechnology companies with attractive pipelines. Overall, we remain focused on identifying companies that can grow their earnings at superior and sustainable levels relative to their industry peers. We maintain a concentrated yet well diversified set of high conviction ideas.

ORGANIZATIONAL/PERSONNEL CHANGES

ACCOUNT TURNOVER

Gained:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
	Reason(s):				

MANAGER STYLE SUMMARY

Fortis is a fundamental, growth-oriented, "bottom-up" manager, who seeks to add value through individual security selection while maintaining a relatively sector/region neutral portfolio. They seek to add value by building a portfolio representing the most successful global businesses and look for companies with superior free cash flow and revenue growth. This is a concentrated portfolio, representing their best ideas and consisting of approximately 45 stocks, and as a result, may experience more volatility than the market.

FORTIS INVESTMENTS
GLOBAL EQUITY: MSCI ACWI BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

SEPTEMBER

2008

Portfolio Guideline:	Index	Fortis	Calc	Min	Max	Compliance
B3. No more than 5% of the account shall be invested @purchase in any one security						ok
B4. Number of issues		52		35	55	ok
B5. Normal Regional Exposures (relative to index levels)						
North America (US & Canada)	49%	64%		39%	59%	check
Europe (Developed, incl UK)	28%	14%		18%	38%	check
Japan	9%	8%		4%	14%	ok
Asia ex Japan (Developed)	4%	4%		-1%	9%	ok
Emerging Markets	10%	10%		0%	20%	ok
Total		100%				
B6. Normal Global Portfolio Characteristics (relative to index)						
Capitalization	56,745	50,376	89%	50%	120%	ok
Price/Book Value	1.8	2.3	128%	100%	200%	ok
Price/Earnings (projected)	10.9	12.0	110%	100%	200%	ok
Price/Cash Flow (projected)	7.0	9.8	140%	75%	150%	ok
Dividend Yield	3.2	2.3	72%	75%	125%	check
ROE	19.4	20.6	106%	100%	150%	ok
Sales Growth	14.2	18.8	132%	100%	200%	ok
C1. Currency or cross-currency position <= value of hedged securities						ok
No executed forward w/o a corresponding securities position.						ok
C2. Max forward w/ counterparty <= 30% of total mv of account						ok
F2. Brokerage commissions not to exceed \$0.05/share for U.S. equities						ok
F3. Annual turnover		80%			200%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

B5. Regional Exposures: Temporary ETF positions used to maintain sector neutrality while repositioning are being allocated to the US (iShares Global, Materials, Financials,

B6. Price/Book Value: Data from Factset shows P/B of 2.1 while UBS shows P/B of 2.7 for portfolio v. 2.1 for BM. Issue likely with Factset data feed.

GENESIS ASSET MANAGERS LIMITED
EMERGING MARKETS EQUITY: MSCI EM BENCHMARK

FOR THE MONTH OF: **SEPTEMBER** **2008**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
Genesis	-16.79%	-21.62%	-25.41%	9.26%	20.98%
MSCI EM	-17.49%	-26.86%	-33.01%	8.69%	19.05%

COUNTRY ALLOCATION COMPARISON

<u>Over-weight</u>	<u>Genesis</u>	<u>EM</u>	<u>Under-weight</u>	<u>Genesis</u>	<u>EM</u>
South Africa	13.51%	7.49%	Brazil	6.00%	15.14%
Indonesia	6.13%	1.64%	China	8.39%	14.43%
Turkey	5.16%	1.82%	Taiwan	5.65%	10.35%

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

The portfolio outperformed the MSCI EM index by 0.7% in September. In such a weak month positive contributors were scarce and only a handful of smaller portfolio holdings made absolute gains, notably Airasia (Malaysia) and Mineral Deposits (Senegal). Unfortunately the real action was on the negative side where Anglo American and Sasol (both South Africa) posted significant losses, closely followed by First Quantum Minerals (Zambia), Infosys (India) and VTB (Russia). In relative performance terms the portfolio added most value in the weak Brazilian market through good stock performance and the underweight position. The same recipe led to further gains in Taiwan, while a number of positions in India and Indonesia also did well. Notable losses were incurred in South Africa, as the two largest holdings there disappointed, and the underweight position in the relatively strong South Korean market hurt the portfolio. Among sectors the portfolio made gains from holdings in Consumer Staples and Financials but these were almost negated by losses in Telecoms and Materials. Over the the last 3 months, the portfolio outperformed the index by 5.2%. Within the portfolio, two of the largest contributors were banks; Standard Bank (South Africa) and Yapi Kredi (Turkey), with the latter gaining almost 35%. On the negative side Anglo American lost half of its value and its South African counterpart, Sasol, lost 30%. In addition two Russian positions, Lukoil and VTB Bank, lost in excess of 40%. Relative to the benchmark the portfolio made large gains from stock performance and the underweight position in Brazil. Elsewhere outperformance from a number of stocks in Indonesia, Russia and Turkey added value. However, stand-out losses were incurred in South Africa due to the two stocks mentioned above. In sector terms minor losses were sustained in just one sector, Consumer Discretionary, while strong gains were achieved in Consumer Staples, Financials and Energy.

MANAGER STYLE SUMMARY

Genesis utilizes a "bottom-up" investment approach, whereby security selection is primarily based on individual stocks rather than country or regional prospects. An unusual aspect of their style is that they will limit the countries within their selection set to the World Bank list of emerging markets (based on per capita GDP), rather than the standard emerging markets indices. Thus, some of the countries within the emerging markets indices (i.e. Israel), are not a major focus of Genesis. Their unique style tends to keep Genesis out of fast-growing countries included in the emerging markets indices or country or regional successes rather than individual companies (i.e. Asia). Consequently, they can have periods of underperformance when these types of countries perform well.

GENESIS ASSET MANAGERS LIMITED
EMERGING MARKETS EQUITY: MSCI EM BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

SEPTEMBER 2008

Portfolio Guideline:	Genesis	Compliance
B2. Country allocations <=15% of value at cost		ok
B3. EAFE securities <=10% of value at cost		ok
B4. Security position <=4% of the account at purchase		ok
B5. Number of Issues > 75	100	ok
C1. Currency or cross-currency position <= value of hedged securities		ok
No executed forward w/o corresponding securities position		ok
C2. Maximum forward with counterpart <= 30% of total mv of account		ok
F2. Annual Turnover <= 100%	38%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

There were no deviations.

ORGANIZATIONAL/PERSONNEL CHANGES

Two additions to the investment team at Genesis. Bongani Miya has been confirmed as a Research Assistant – a new role at Genesis. Secondly, Arindam Bhattacharjee will be joining Genesis at the beginning of October. Arindam was previously a partner at Emerging Markets Management, LLC in Washington, DC where he worked for twelve years and he has more than fifteen years cumulative experience in researching companies and countries within the emerging markets.

ACCOUNT TURNOVER

Gained:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	1	Total Market Value (\$m):	\$	57.2
	Reason(s):	N/A			

MONDRIAN INVESTMENT PARTNERS
INTERNATIONAL EQUITY: MSCI EAFE BENCHMARK

FOR THE MONTH OF: **SEPTEMBER** **2008**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
Mondrian	-12.47%	-16.24%	-26.27%	3.66%	n/a
MSCI EAFE	-14.46%	-20.56%	-30.50%	1.12%	9.68%

COUNTRY ALLOCATION COMPARISON

<u>Over-weight</u>	<u>Mondrian</u>	<u>EAFE</u>	<u>Under-weight</u>	<u>Mondrian</u>	<u>EAFE</u>
Spain	7.46%	4.26%	Switzerland	3.59%	7.86%
Australia	9.25%	6.32%	Germany	5.23%	9.02%
Taiwan	2.24%		United Kingdom	19.02%	21.67%

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

Investment returns exceeded the benchmark in September. Strong stock selection in Australia, Japan and in the telecommunications sector was offset by weak stock selection in the UK, the Netherlands and in the financials sector. However, sector allocation contributed strongly to investment performance, helped by the underweight position in the materials sector and the overweight position in the consumer staples sector. Currency effects were also slightly positive, driven largely by the defensive hedges out of sterling and the euro.

The main highlights of the strategy being adopted for the account are:

- Overweight position in the Australasian markets
- Overweight positions in selected European markets
- Overweight positions in the telecommunications and health care sectors
- Defensive currency hedge out of the euro.

MANAGER STYLE SUMMARY

Mondrian (formerly Delaware International) employs a top-down/bottom-up approach, with focus on security selection. The firm identifies attractive investments based on their fundamental, long-term flow of income. Dividend yield and future growth prospects are critical to the decision making process. The portfolio is expected to be fairly concentrated (40-60 securities), with a value bias. As such, we can expect the portfolio characteristics to exhibit low P/B, low P/E and high dividend yield ratios relative to the market.

MONDRIAN INVESTMENT PARTNERS
INTERNATIONAL EQUITY: MSCI EAFE BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

SEPTEMBER

2008

Portfolio Guideline:	Index	Mondrian	Calc	Min	Max	Compliance
B3. Security position <= 5% of the account @ purchase						ok
B4. Number of issues		54		40	60	ok
B5. Normal Regional Exposures:						ok
United Kingdom		19%		0%	45%	ok
Europe ex U.K.		38%		0%	75%	ok
Japan		22%		0%	45%	ok
Pacific ex Japan		16%		0%	40%	ok
Non-Index Countries		3%		0%	20%	ok
Cash		3%		0%	5%	ok
Total		100%				
B6. Normal Portfolio Characteristics						
Capitalization	48,968.04	53,875.14	110%	25%	100%	check
Price/Book Value	1.5	1.5	100%	50%	125%	ok
Price/Earnings (Trailing)	10.8	10.1	94%	50%	100%	ok
Price/Cash Flow	6.4	5.7	89%	50%	100%	ok
Dividend Yield	4.1	5.5	134%	100%	200%	ok
C1. Currency or cross-currency position <= value of hedged securities						ok
No executed forward w/o a corresponding securities position.						ok
C2. Max forward w/ counterpart <= 30% of total mv of account						ok
F2. Annual turnover		6%			40%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

B6. Capitalization: Above Capitalization limit

ORGANIZATIONAL/PERSONNEL CHANGES

None

ACCOUNT TURNOVER

Gained:	Number of Accounts:	None	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	None	Total Market Value (\$m):		
	Reason(s):				

MOUNTAIN PACIFIC INVESTMENT ADVISERS
DOMESTIC EQUITY: RUSSELL 2500 BENCHMARK

FOR THE MONTH OF: **SEPTEMBER** **2008**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Mountain Pacific	-5.38%	-0.38%	-10.17%	5.64%	9.41%
Russell 2500	-9.94%	-6.72%	-17.99%	0.91%	8.12%

PORTFOLIO ATTRIBUTES

<u>Characteristics</u>	<u>Mtn Pac</u>	<u>RU 2500</u>	<u>Sector Analysis</u>		
			<u>Over-weight</u>	<u>Mtn Pac</u>	<u>RU 2500</u>
Mkt Value (\$m)	277.14	N/A	Healthcare	28.43%	11.54%
Wtd Cap (\$b)	6.32	2.39	Capital Goods	29.03%	19.72%
P/E	16.91	18.12	Technology	17.17%	11.13%
Beta	0.98	0.80			
Yield (%)	1.08	1.54			
Earnings Growth	17.00	19.00	<u>Under-weight</u>	<u>Mtn Pac</u>	<u>RU 2500</u>
			Consumer	5.92%	18.02%
			Energy	0.00%	9.54%
			Utilities	0.00%	6.95%

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

In September 2008, our portfolio outperformed the benchmark RU 2500 by 456 basis points due to the outperformance of our financial, healthcare, and consumer holdings. During the month, our financial holdings rose by 20%, led by regional banks, including Zions Bancorporation, Marshall & Ilsley Corporation, and M&T Bank. The banks are expected to benefit from legislation that would allow the government to purchase illiquid assets from financial institutions. Our health care holdings, which represent 28% of our portfolio, were down only 6% for the month. C.R. Bard, a medical device maker and one of our largest holdings, was up 2% for the month. The company plans to introduce several new products in the next year that are expected to lead to solid sales and earnings growth. Our results were hindered by a 11% decline in our industrial holdings, as concerns about slower economic growth weighed on share prices. In the past three months, our performance outpaced our index by more than 700 basis points, as our consumer, financial, industrial, technology, and health care sectors, all outperformed the index. In particular, an advance of 25% from the financial sector boosted our results. Inventiv Health, a provider of outsourced pharmaceutical services, declined 36% in the period after the company reduced their earnings outlook due to reductions in client marketing budgets. We expect the economy to continue to weaken. We will focus our efforts on companies that can continue to grow in this tough environment.

MANAGER STYLE SUMMARY

Mountain Pacific manages a mid-to small-cap portfolio, employing a "GARP" (Growth At a Reasonable Price) investment strategy. Their portfolio holdings and characteristics will wander around the average stock in their benchmark, and they tend to favor companies which do not sell directly to the public and therefore, depend on sales to other businesses. Mountain Pacific runs a more concentrated portfolio than most, and as a result, their returns will diverge more dramatically from their benchmark, and sometimes for sustained periods.

MOUNTAIN PACIFIC INVESTMENT ADVISERS
DOMESTIC EQUITY: RUSSELL 2500 BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

SEPTEMBER

2008

Portfolio Guideline:	Mtn Pac	RU 2500	Calc	Min	Max	Compliance
B2. Security Market Cap (in \$m)				\$100.0	\$7,500.0	ok
B3. Wtd Avg Cap	6	2	264%	80%	120%	check
B4. Number of issues	56			35	55	check
B5. Security Positions <= 4% @ purchase						ok
B6a. P/E (12-mo trail)	16.91	18.12	93%	80%	120%	ok
B6b. Beta	0.98	0.80	1.23	0.80	1.20	check
B6c. Yield	1.08	1.54	70%	80%	120%	check
B6d. Expected Earnings Growth	17.00	19.00	89%	80%	120%	ok
E2. Commissions not to exceed \$0.06/share						ok
E3. Annual Turnover	17%				60%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

B3. Wtd Avg Cap: Our Wtd Avg Cap exceeds that of the benchmark due to price appreciation of securities purchased. The median cap of the portfolio is \$3.95BB.

B6c. Yield: Our yield is slightly below the guideline range but not significantly so. Most of our companies pay little in dividends, instead plow earnings back in for growth.

ORGANIZATIONAL/PERSONNEL CHANGES

None.

ACCOUNT TURNOVER

Gained:	Number of Accounts:	Total Market Value (\$m):
Lost:	Number of Accounts:	Total Market Value (\$m): \$ -
	Reason(s): N/A	

PEREGRINE CAPITAL MANAGEMENT
DOMESTIC EQUITY: RUSSELL 1000 GROWTH BENCHMARK

FOR THE MONTH OF: **SEPTEMBER** **2008**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Peregrine	-9.27%	-4.91%	-21.82%	-1.67%	n/a
Russell 1000 Growth	-11.58%	-12.33%	-20.88%	0.05%	n/a

PORTFOLIO ATTRIBUTES

<u>Characteristics</u>	<u>Peregrine</u>	<u>RU 1000G</u>	<u>Sector Analysis</u>		
			<u>Over-weight</u>	<u>Peregrine</u>	<u>RU 1000G</u>
Mkt Value (\$m)	158.34	N/A	Financial Svcs	22.31%	6.76%
Wtd Cap (\$b)	66.40	64.80	Technology	29.47%	24.89%
P/E	16.00	17.40	Health Care	16.29%	14.51%
Beta	1.20	0.97			
Yield (%)	1.20	1.24	<u>Under-weight</u>	<u>Peregrine</u>	<u>RU 1000G</u>
Earnings Growth	18.00	15.00	Energy	0.00%	7.31%
			Consumer Stapl	7.04%	10.19%
			Producer Durab	4.02%	7.25%

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

In a very difficult market environment, the portfolio held up better than the Russell 1000® Growth Index during September. For the quarter, the portfolio was down 4.9%, and picked up 740 basis points relative to the benchmark. The portfolio's high quality growth profile aided performance in a significant September downdraft. Relative performance was helped by a few main factors: 1) the portfolio did not have a weighting in the commodity and heavy industrial sectors, which plummeted along with the underlying commodity prices; 2) the portfolio's healthcare and retail stocks continued to act as a relative safe haven; 3) The portfolio's technology services stocks such as Microsoft, Paychex, and Automatic Data Systems retained much of their value during the quarter. Interestingly, despite a heavy weighting, the portfolio's financial services stocks impacted performance by a minor amount relative to the index. The absolute gains for Charles Schwab and CME Group, offset some of the impact of the financial markets crisis. The portfolio held American International Group during most of the month, but it constituted only 0.67% of the portfolio by weight. There is no doubt that we are experiencing a significant financial crisis. To add fuel to the fire, hedge funds are in the process of liquidating holdings to meet a massive dollar amount of redemptions. All is not dark: inflation expectations have dropped significantly as commodity prices have fallen. As a result, equity valuations are even more compelling. When financial markets stabilize, investors will be returning to the scene of the crisis, and will find outstanding opportunities—especially in the large cap, high quality growth spectrum of the market. The road has been painful across a number of sectors and geographies, but it is likely that the global financial structure will be on firmer footings--setting the stage for renewed economic growth and solid returns on investment.

MANAGER STYLE SUMMARY

Peregrine manages a large cap growth equity portfolio, utilizing a "bottom up" strategy, and focusing more on the future growth prospects of a firm rather than current earnings. We can expect the portfolio to include 30-50 securities, the P/E and P/B ratios to be slightly higher than that of the market, stock volatility to be slightly higher than the market, and dividend yield to be lower than average. Their style encourages overweight positions in traditional growth sectors such as technology, retail, business services, and financial services. Due to the concentrated nature of the portfolio, it will tend to be more volatile than more diversified portfolios.

PEREGRINE CAPITAL MANAGEMENT
DOMESTIC EQUITY: RUSSELL 1000 GROWTH BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

SEPTEMBER

2008

Portfolio Guideline:	S&P 500	Peregrine	Calc	Min	Max	Compliance
B2. Security Market Cap > \$1 billion						ok
B3. Security position <=5% @ purchase, excluding contributions						ok
B4. Number of issues		31		30	50	ok
B5. P/B	2.20	3.40	1.5	1.2	2.0	ok
B5. P/E (Projected)	15.60	16.00	1.0	1.0	2.0	ok
B5. Dividend Yield	2.50	1.20	0.5	0.1	0.8	ok
B5. Beta	1.00	1.20	1.2	1.10	1.35	ok
B5. Earnings Growth (5-year)		18%		11%	22%	ok
F2. Commissions not to exceed \$0.05/share						ok
F3. Annual Turnover		8%		15%	30%	check
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

F3. Annual Turnover: Average Annual Turnover since Growth Equity inception (01/01/83) has been less than 20%.

ORGANIZATIONAL/PERSONNEL CHANGES

ACCOUNT TURNOVER

Gained:	Number of Accounts:	Total Market Value (\$m):
Lost:	Number of Accounts: 1	Total Market Value (\$m): \$ 11.1
	Reason(s): Past performance and reconfiguration of portfolio	

TCW VALUE OPPORTUNITIES
DOMESTIC EQUITY: RUSSELL MIDCAP VALUE BENCHMARK

FOR THE MONTH OF: **SEPTEMBER** **2008**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
TCW	-11.12%	-11.91%	-19.21%	0.50%	n/a
Russell Midcap Value	-9.05%	-7.52%	-20.50%	0.51%	—
Russell 3000	-9.40%	-8.74%	-21.55%	0.26%	—

PORTFOLIO ATTRIBUTES

<u>Characteristics</u>	<u>TCW</u>	<u>RU Mid</u>	<u>Sector Analysis</u>		
Mkt Value (\$m)	188.40	N/A	<u>Over-weight</u>	<u>TCW</u>	<u>RU Mid</u>
Wtd Cap (\$b)	5.29	6.49	Health Care	16.94%	6.49%
P/E	12.02	11.20	Info Tech	16.51%	6.17%
Beta	1.01	1.00	Industrials	10.17%	7.55%
Yield (%)	1.35	2.77			
Earnings Growth	12.43	4.46	<u>Under-weight</u>	<u>TCW</u>	<u>RU Mid</u>
			Utilities	1.26%	12.32%
			Financials	21.78%	32.39%
			Consumer Sta]	2.08%	7.75%

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

Health care, utilities and consumer discretionary stocks enhanced performance while industrials, information technology and financials were the primary sectors that detracted. People's United Financial, Inc., a Connecticut-based commercial bank, and Arch Capital Group Ltd., a Bermuda-based insurer and re-insurer, were the best performers in September in part due to their high-quality, well-capitalized balance sheets. Homebuilders, Lennar and Toll Brothers, also moved higher as house price declines decelerated. Energy, material and industrial stocks such as Weatherford, SPX and Hexcel were particularly weak as concerns mounted over global economic recession.

MANAGER STYLE SUMMARY

TCW is a "bottom-up" manager, implementing a "Value Opportunities" investment strategy, which seeks to add value by investing in small- and medium-capitalization companies that are currently undervalued. The key to their strategy is to identify the basis for the undervaluation and the related catalyst which will result in a realization of true company value. The portfolio will tend to hold a minimum of 45 securities and exhibit low P/E and P/B ratios.

TCW VALUE OPPORTUNITIES
DOMESTIC EQUITY: RUSSELL MIDCAP VALUE BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

SEPTEMBER

2008

Portfolio Guideline:	TCW	RU Mid	Min	Max	Compliance
B2. Security Market Cap (in \$m) > \$100 m @ purchase					ok
B3. Security Positions <= 20% @ purchase					ok
B4. Number of issues	56		45	200	ok
B5. Portfolio Characteristics					
Capitalization (in \$B)	5.2		\$1.0	\$4.5	check
P/B	1.85	1.47	1.8	3.3	ok
P/E (IBES Projected)	12.02	11.20	9.1	26.0	ok
Dividend Yield	1.35	2.77	0.6	1.3	check
Earnings Growth	12.43	4.46	3.9	15.7	ok
F2. Commissions not to exceed \$0.05/share (or semi-annual explanation required)					ok
F3. Annual Turnover	118%			140%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines				<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

B5. Capitalization: Typically TCW Value Opportunities runs a bit higher due to some larger capitalization companies.

T/O computation not relevant since portfolio commenced 6/07/04.

ORGANIZATIONAL/PERSONNEL CHANGES

ACCOUNT TURNOVER

Gained:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	2	Total Market Value (\$m):	\$	63.0
	Reason(s):	Reduce their number of active equity managers.			

TUKMAN CAPITAL MANAGEMENT, INC.
DOMESTIC EQUITY: S&P 500 BENCHMARK

FOR THE MONTH OF: **SEPTEMBER** **2008**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
Tukman	-0.68%	5.55%	-7.17%	4.75%	4.40%
S&P 500	-8.91%	-8.37%	-21.98%	0.22%	5.17%

PORTFOLIO ATTRIBUTES

<u>Characteristics</u>	<u>Tukman</u>	<u>S&P 500</u>	<u>Sector Analysis</u>		
Mkt Value (\$m)	314.80	N/A	<u>Over-weight</u>	<u>Tukman</u>	<u>S&P 500</u>
Wtd Cap (\$b)	144.96	88.78	Con Staples	24.20%	12.00%
P/E	14.00	15.00	Technology	21.38%	16.00%
Beta	0.80	1.00	Con Disc	18.06%	8.00%
Yield (%)	1.95	2.24			
Earnings Growth	14.90	18.20	<u>Under-weight</u>	<u>Tukman</u>	<u>S&P 500</u>
			Energy	1.38%	13.00%
			Financials	11.69%	16.00%
			Healthcare	7.38%	13.00%

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

The TGCM portfolio significantly outperformed the S&P 500 Index for both the month and the quarter. The top performing stocks in the portfolio were Wells Fargo, Berkshire Hathaway, and PepsiCo. As banks and other financial institutions failed around the country, investors sought companies likely to weather the storm and Wells Fargo enjoyed a strong rebound off its summer low. Berkshire also had a positive month as Warren Buffett's conservative investment approach proved attractive in these volatile market conditions. PepsiCo's positive international growth spurred a 9% increase in second quarter profits. The bottom performing stocks were Goldman Sachs and General Electric. Goldman Sachs share price dropped with the demise of several large investment banking competitors. General Electric shares fell as investors worried about GE's finance operations. This month Warren Buffett's Berkshire Hathaway made significant investments in both Goldman Sachs and GE, which we believe is a positive event for both companies.

During the month of September, we added American Express, 3M, and Schlumberger based on attractive valuations. We also added to our Avon position. We trimmed Wal-Mart as the price has climbed and sold the final Anheuser Busch shares from the portfolio.

As the markets continue to be volatile and unpredictable, investors are likely to seek high quality companies with proven management. The TGCM portfolio benefited from this shift to quality during the month and the third quarter and we remain positioned to capture additional value should the trend continue.

MANAGER STYLE SUMMARY

Tukman's investment strategy is "Concentrated Quality GARP" (Growth At a Reasonable Price), whereby the portfolio is a concentrated mix of about 10-20 large capitalization stocks of quality companies who are leaders in their sectors, have demonstrated consistent earnings growth, have clear prospects for future earnings growth, and trade at values at or slightly below the average S&P 500 company. This style is similar to that of Warren Buffet. Due to the portfolio concentration, it tends to be more volatile than other widely diversified portfolios. Consequently, they can lag significantly behind their benchmark for a period of time, then rapidly make up the difference and/or outperform relative to their benchmark.

TUKMAN CAPITAL MANAGEMENT, INC.
DOMESTIC EQUITY: S&P 500 BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

SEPTEMBER

2008

Portfolio Guideline:	S&P 500	Tukman	Calc	Min	Max	Compliance
B2. Security Market Cap (in \$m)						ok
B3. Wtd Avg Cap > \$10 billion						ok
B4. Number of issues		18		10	20	ok
B5. Security Positions <= 15% @ purchase						ok
B6a. P/E (projected)	15.00	14.00	1.1	0.8	1.3	ok
B6b. Beta	1.00	0.80	1.3	0.8	1.3	ok
B6c. Yield	2.24	1.95	115%	50%	150%	ok
B6d. Expected Earnings Growth	18.20	14.90	1.2	0.7	1.3	ok
E2. Commissions not to exceed \$0.05/share						ok
E3. Annual Turnover		24%		5%	45%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

There were no deviations.

ORGANIZATIONAL/PERSONNEL CHANGES

None

ACCOUNT TURNOVER

Gained:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
	Reason(s):				

WESTERN ASSET MANAGEMENT- US TIPS FULL DISCRETION
DOMESTIC FIXED: LEHMAN TIPS BENCHMARK

FOR THE MONTH OF: **SEPTEMBER** **2008**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Western TIPS	-4.51%	-4.42%	4.91%	n/a	n/a
Lehman TIPS	-3.83%	-3.54%	6.20%	n/a	n/a

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

Market Review—September 2008

The financial system came to a near halt this month as a series of dramatic events unfolded. The government took conservatorship of Fannie Mae and Freddie Mac. Lehman Brothers was unable to raise sufficient capital and filed for bankruptcy, and Barclays Capital then picked off choice assets. Merrill Lynch, sensing that its continued existence was in peril, arranged a deal with Bank of America. AIG was forced to seek government assistance to continue operations. The FDIC took over Washington Mutual and asked JPMorgan Chase to absorb the banking operations. Shortly thereafter, it brokered a tentative deal to sell parts of Wachovia to Citigroup. (Days after month end, this deal was challenged by a new Wells Fargo deal.) Several money market funds “broke the buck”, and stopped client redemptions. By the month’s end, Congress was debating a Treasury proposal to create a \$700 billion Troubled Asset Relief Program (TARP) to alleviate the financial system.

The TED spread, a measure of systemic lending risk, jumped over 200 bps to 315 bps as short-term lending froze.

Housing data released in the month did not show a turnaround. Existing home sales declined 2.2% and new home sales dropped 11.5% in August. The S&P/Case-Shiller Home Price Index showed a 16% yearly drop in home prices in July. In other data releases, core CPI inflation held steady at 2.5% while the headline measure was at 5.4%. The unemployment rate rose to 6.1% in September and initial jobless claims increased to 497,000. Oil prices continued to fall on expected lower demand, closing at \$100/barrel by month-end. Equity markets were weak as the S&P 500 and the Dow Jones lost 9% and 6% respectively. Equity volatility as measured by the VIX Index increased dramatically, and international equity performance was negative. The U.S. dollar was up near 2% against major currencies on a trade-weighted basis. Retail sales ex-autos showed negative growth (-0.70%) for the first time in six months. Treasuries rallied as investors sought a safe haven. Corporate bond spreads widened to historic highs on increased credit risk, while mortgage spreads narrowed as they benefited from the government intervention.

The Barclays TIPS Index generated a total monthly return of -3.94%, losing to its nominal counterpart by 4.55%. CPI accretion was moderate but lower inflation expectations caused a big sell-off in TIPS securities.

MANAGER STYLE SUMMARY

Western manages a Core Plus account in addition to this TIPS mandate. This is an expansion of our existing SSgA TIPS (Treasury Inflation Protected Securities) allocation in that this portfolio will be actively managed and will not employ a buy and hold strategy however, it will be more limited than what was our Bridgewater global TIPS portfolio. Western is limited to hold no more than 20% of the portfolio in non-inflation-linked bonds, but does have the latitude to hold foreign, non-dollar denominated securities, take currency positions, and enter into futures, options and swaps contracts, provided our daily pricing requirements are met..

WESTERN ASSET MANAGEMENT- US TIPS FULL DISCRETION
DOMESTIC FIXED: LEHMAN TIPS BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

SEPTEMBER 2008

Portfolio Guideline:	Lehman TIPS	Western	Min	Max	Compliance
C2. Weighted average duration including futures	7.49		5.24	9.74	ok
Weighted average duration with options			5.99	8.99	ok
C3. Credit Quality					
(1) Rated securities: % invested in investment grade			80%	100%	ok
C4. Diversification					
(2a) Sector: % invested in IPS and/or floating rate securities			80%	100%	ok
(2b) Sector: % invested in US TIPS and/or floating rate securities			80%	100%	ok
(2c) Sector: % invested in non-IL bonds and MBS			0%	20%	ok
(2d) Sector: % invested in extended sectors including emg mkts			0%	20%	ok
Max invested in any one of the extended sectors					check
(2e) Sector: % invested in un-hedged non-dollar exposure			0%	15%	ok
(3a) Issuer: Limit of obligations of non-benchmark issuers			0%	5%	ok
(4) Credit: % invested in issues rated below Baa3 or BBB- / A2 or I			0%	20%	ok
(5) Derivatives: % invested in orig futures margin & option prem			0%	5%	ok
Max net credit derivative exposure (as % of mkt value)			0%	40%	ok
F2. Annual Turnover		54%	150%	250%	check
The portfolio is in compliance with all other aspects of the Portfolio Guidelines				<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

C4. Diversification - Issuer:	As of 9/30/08, the concentration of Fannie Mae was at 5.069% due to market fluctuations.
C2. Duration:	Please note that Duration number reflects the Duration of the Portfolio, taking into account the duration contribution of BOTH Futures AND Options.
F2. Annual Turnover:	Given that TIPS' CPI accretion is based on the non-seasonally adjusted index, the tendency is for inflation to run high in the spring months and weak in the fall. As such, the real yield curve tends to steepen in spring and flatten in fall. Western generally adjusts our term structure to take advantage of this. However, given last year's Fed easing rates, we did not want to move out of short maturity TIPS into longer maturity TIPS like we usually do and thus traded less. As the real yield curve has continued in 2008 we have not yet changed position.

ORGANIZATIONAL/PERSONNEL CHANGES

During the third quarter of 2008, Western added no members to its investment team, while losing two portfolio managers (Jaroslaw K. Karpinski from Western's London office; and Valerie Bannon from Western's New York office); and one research analyst (Noriaki Matsui from Western's London office).

ACCOUNT TURNOVER

Gained:	Number of Accounts:	10	Total Market Value (\$m)	\$ 571.0
Lost:	Number of Accounts:	21	Total Market Value (\$m)	\$ 4,349.0
	Reason(s):	Please note this data excludes commingled fund participants, mandate transfers, and account contributions/withdrawals from existing clients. Data is PRELIMINARY and is subject to change; it represents information for the quarter ending September 30,		

WESTERN ASSET MANAGEMENT- CORE FULL DISCRETION
GLOBAL FIXED: LEHMAN AGGREGATE BENCHMARK

FOR THE MONTH OF: **SEPTEMBER** **2008**

MANAGER PERFORMANCE CALCULATIONS					* Annualized returns
	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Western	-3.88%	-4.99%	-6.38%	0.80%	n/a
Lehman Aggregate	-1.34%	-0.49%	3.65%	4.15%	n/a

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

Performance Attribution—September Our strategies produced negative results. Overall, credit spreads widened dramatically as financials sold off more than other subsectors on various bankruptcy and merger headlines. An emphasis on financial issues generated a significant negative impact as a result. Agency mortgages outperformed Treasuries as Fannie Mae and Freddie Mac were taken into government conservatorship. Our overweight to agency mortgage-backed securities was a small positive contributor to performance. Non-agency structured issues benefitted initially due to the discussion of TARP, but ended slightly lower by month-end. High-yield bonds underperformed as financials came under significant pressure, and portfolios that hold below-investment grade debt suffered an additional drag on performance. Emerging markets, where permitted, struggled on worries of the U.S. crisis spilling over to the rest of the world. Local currency bonds had a negative impact on the back of the U.S. dollar rally. International developed markets, where held, produced slightly negative excess returns versus U.S. Treasuries for the month on a steady flow of negative economic news. A modest exposure to TIPS had a negative impact as oil prices continued their decline. A moderately neutral to long duration posture had a small positive impact as the yield curve steepened.

Outlook and Strategy— The crisis hit a fever pitch in September. Bank deleveraging has triggered a negative feedback loop in financial markets that has driven bond market pricing far from fundamental value. This type of dynamic is restricted to fractional-reserve (read “leveraged”) banking systems. The underlying economy is not a fractional-reserve system. It is vulnerable to the effects of negative feedback loops in the financial market, but only when monetary and fiscal policies fail to counter those effects. The Fed reduced policy rates by unparalleled amounts early in the business cycle, and the real Fed funds rate has been negative for nearly a year. The Fed has willingly expanded its balance sheet and provided short-term financing en masse to commercial banks, investment banks, and insurance companies alike. Treasury conservatorship has allowed Fannie Mae and Freddie Mac to continue their mortgage securitization operations, sustaining the flow of credit to the housing market at a time when the private-label mortgage securitization business has ceased to exist. This has helped reduce yields on conventional 30-year mortgages to pre-crisis levels, an important development that directly addresses problems in the U.S. housing market. For the moment, however, financial market tensions trump any indications from the economic data, to the point that it is not worth arguing whether or not recession will occur. Rather than fixate on near-term economic prospects, we believe investors’ focus should be on developments over the medium- and long-term. Trust in the financial system will eventually recover. At that point, the deep liquidity discounts apparent across spread sectors should disappear, leaving prices that once again reflect the underlying probability of default. We believe it is essential to restate our investment thesis: it is essential for long-term investors to look past the current panic. Clearly, firms are susceptible to both a credit crunch and an economic downturn, but we believe investors are more than adequately compensated for bearing these risks.

MANAGER STYLE SUMMARY

Western manages a customized portfolio for PERSI, which falls outside of their traditional product offerings. While the product is called, "Core Full Discretion" (one of their traditional products), Western has the flexibility to invest in global inflation-linked bonds and to take bigger bets where they see the opportunity. As such, this portfolio is more volatile than the traditional underlying product. This global mandate allows Western to hold foreign, non-dollar denominated securities, take currency positions, and enter into futures, options and swaps contracts.

WESTERN ASSET MANAGEMENT- CORE FULL DISCRETION
GLOBAL FIXED: LEHMAN AGGREGATE BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

SEPTEMBER 2008

Portfolio Guideline:	Western	Min	Max	Compliance
C. Weighted average duration including futures positions	-3.40	-30.00	30.00	ok
C4 (2): Sector Allocation				
a. Non-dollar denominated securities		0%	40%	ok
Un-hedged non-dollar denominated securities		0%	20%	ok
b. U.S. securities rated below investment grade (BIG)		0%	40%	ok
c. Non-dollar, Non-U.S. securities rated BIG		0%	20%	ok
d. Non-dollar denominated+emerging mkt+high yield		0%	50%	ok
C4 (3): Issuer				
a. Guaranteed by US gov, agencies, gov-sponsored corp or G-7		0%	100%	ok
b. Other national governments - limit per issuer		0%	10%	ok
c. Private MBS/ABS - limit per issuer		0%	10%	ok
If collateral is credit-independent of issuer & security's credit enhancement is generated internally - limit per issuer		0%	25%	ok
d. Obligations of other issuers subject to per issuer limit		0%	5%	ok
C4 (5): Credit				
No more than 40% of portfolio below Baa3 or BBB-/A2 or P2		0%	40%	ok
C4 (7): Derivatives				
Original futures margin and options premiums, exclusive of any in-the-money portion of the premiums		0%	5%	ok
F2. Annual Turnover	81%	100%	200%	check
The portfolio is in compliance with all other aspects of the Portfolio Guidelines			<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

Annual Turnover: Given the decline of liquidity in the market and no significant changes in strategy this past year, turnover is actually lower than our average. We have added to positions where we are able and made some small relative value trades, but have not been making major adjustments to the portfolio.

ORGANIZATIONAL/PERSONNEL CHANGES

During the third quarter of 2008, Western added no members to its investment team, while losing two portfolio managers (Jaroslaw K. Karpinski from Western's London office; and Valerie Bannon from Western's New York office); and one research analyst (Noriaki Matsui from Western's London office).

ACCOUNT TURNOVER

Gained:	Number of Accounts:	10	Total Market Value (\$m):	\$ 571.0
Lost:	Number of Accounts:	21	Total Market Value (\$m):	\$ 4,349.0

Reason(s): Please note this data excludes commingled fund participants, mandate transfers, and account contributions/withdrawals from existing clients. Data is PRELIMINARY and is subject to change; it represents information for the quarter ending September 30, 2008.

ZESIGER CAPITAL GROUP LLC

GLOBAL EQUITY: RUSSELL 3000 BENCHMARK

FOR THE MONTH OF: **SEPTEMBER** **2008**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Zesiger Total	-14.29%	-17.38%	-33.06%	4.80%	9.16%
Zesiger Private	-3.06%	8.08%	4.05%	10.51%	7.56%
Zesiger Public	-14.78%	-18.51%	-34.60%	4.20%	8.99%
MSCI ACWI	-12.46%	-16.51%	-26.47%	1.79%	8.53%
Russell 3000	-9.40%	-8.73%	-21.52%	0.26%	5.70%

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

The portfolio underperformed against both benchmarks for the month of September and for the third quarter of the year. We believe the markets are in the midst of a full-blown market panic associated with the housing and credit crises. A recession in the US now seems certain with a global recession anticipated. Wholesale liquidations and forced selling are driving prices down. Buyers are scarce or non-existent. Investors try to understand what is happening, but understanding is proving hard to come by. Markets have never liked uncertainty, and uncertainty is all we have now. The US and other governments are stepping in. They have a large number of tools to use in ameliorating the turmoil. In time, probably shorter than longer, the markets will right themselves.

The portfolio was impacted by the run on American International Group. Within 5 days, the stock plummeted from \$25 to \$3. Having held the stock through its steep descent, we finally capitulated on the basis that even if the government came to the company's rescue, the shareholders would not be allowed to benefit, particularly in an election year.

Our strongest recourse over this tumultuous period is to focus on the individual companies within the portfolio. There is a huge disconnect between the fundamentals of these companies and their stock prices. Two examples of companies that were the portfolio's laggards for September are illustrative: McDermott, which we recently repurchased for the portfolio after suffering a steep decline in share price, has an enterprise value of \$3.8 billion, cash of \$1.3 billion, no debt, and projected operating cash flow between \$1.1 and \$1.3 billion. Currently the stock is trading at an incredibly low 2 times this year's projected cash flow. Half of the company's business has locked-in contractual prices, and the other half is stable, governmental business, such as managing the US strategic petroleum reserves. General Cable ["BGC"] traded as high as \$83.50 within the past year. It ended the month of September at \$35.63, and as of this report's date, it is now at \$18.70. This is the company's book value. The last time BGC traded this low was in 2005. Since then revenues have tripled, earnings have quadrupled, and return on shareholder equity has more than doubled. Through acquisition, BGC now has a global footprint. Earlier this decade domestic sales accounted for 70% of revenues. Today that number is down to 30%. Earlier in the decade BGC was selling between 10 and 20 times earnings. Today it is selling between 4 and 5 times earnings.

Our investments in selected emerging markets, particularly in China and India, have contributed to the subpar performance this year. However, we continue to believe this global strategy will prove to be our strength. Unlike the western consumer, the Asian consumer is underleveraged. Even though growth has been tied to exports, except in India, emerging market governments have the tools to reinforce more domestic investment. Having raised interest rates earlier this year, these governments are in a good position to lower them now. These governments impressed us this year by beginning to make the right policy moves to removing governmental subsidies on food and fuel.

Stocks are being tossed among torrential waves. We remain steady on course.

MANAGER STYLE SUMMARY

Zesiger's unique mandate is best described as an "absolute total return" strategy: they are allowed to invest in any publicly traded equity or debt instrument (excluding derivatives) and private equity (which is also tracked by Hamilton Lane). Zesiger's style entails more of a long-term trend and growth orientation, which favors small growth stocks (particularly bio-tech), emerging markets and private equity -- this implies high volatility. Judgements regarding Zesiger's performance should entail a long-term (at least 5 yrs) perspective, given their style. Portfolio characteristics will tend to be growth-oriented, with a tendency for country allocations to be in less-developed countries. Zesiger will not track any particular index well.

ZESIGER CAPITAL GROUP LLC
GLOBAL EQUITY: RUSSELL 3000 BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

SEPTEMBER 2008

Portfolio Guideline:	Zesiger	Min	Max	Compliance
B3. Security position <= 5% of the account @ purchase				ok
B4. Number of issues	70	60	160	ok
B5. Normal Country Exposures:				
United States & Canada	48%	30%	100%	ok
Americas ex U.S.	5%	0%	25%	ok
United Kingdom	0%	0%	25%	ok
Europe ex U.K.	1%	0%	40%	ok
Japan	0%	0%	45%	ok
Asia Pacific ex Japan	29%	0%	50%	ok
Non-Index Countries	1%	0%	15%	ok
Cash & Hedges	16%			
Total	100%	(does not have to add up to 100%)		
C1. Currency or cross-currency position <= value of hedged securities				ok
No executed forward w/o corresponding securities position				ok
C2. Maximum forward with counterpart <= 30% of total mv of account				ok
F2. Brokerage commissions not to exceed \$0.06/share				ok
F3. Annual Turnover	32%		100%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines			<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

B4. Number of Issues:

ORGANIZATIONAL/PERSONNEL CHANGES

none

ACCOUNT TURNOVER

Gained:	Number of Accounts:	0	Total Market Value (\$):	\$	-
Lost:	Number of Accounts:	0	Total Market Value (\$):	\$	-
	Reason(s):				

Performance (net of fees)

blue = outperform by 50 bp; red = underperform by 50 bp

(*Annualized)

	<u>Ticker*</u>	<u>Last Month</u>	<u>Last 3 Months</u>	<u>Last 1 Year</u>	<u>Last 3 Years*</u>	<u>Last 5 Years*</u>
Balanced Options:						
PERSI Total Return Fund	n/a	-7.4%	-8.7%	-14.8%	3.9%	8.1%
Policy Bench (55% R3000, 15% MSCI EAFE, 30% LehAggr)		-7.7%	-8.0%	-15.3%	1.6%	0.0%
Calvert SRI Sudan-Free Fund +++++	CBAIX	-6.9%	-7.6%	-14.8%	n/a	n/a
Custom Bench (60% R1000, 40% LehAggr)		-6.3%	-5.8%	-11.8%	1.7%	4.8%
Domestic Equity Options:						
Mellon Wilshire 5000 Stock Index Fund	n/a	-9.3%	-8.7%	-21.4%	0.5%	5.9%
Wilshire 5000		-9.4%	-8.7%	-21.2%	0.6%	6.0%
Mellon S&P 500 Stock Index Fund	n/a	-8.9%	-8.4%	-22.0%	0.3%	5.2%
Vanguard Growth & Income Fund +	VGIAX	-8.8%	-8.8%	-23.2%	-0.6%	5.0%
S&P 500		-8.9%	-8.4%	-22.0%	0.2%	5.2%
Mellon Wilshire 4500 Stock Index Fund +++	n/a	-10.7%	-9.6%	-18.9%	-1.9%	5.2%
Wilshire 4500		-10.9%	-10.0%	-19.8%	1.2%	8.3%
T. Rowe Price Small Cap Stock Fund ++	OTCFX	-7.6%	-2.7%	-17.8%	0.0%	7.3%
Russell 2000		-8.0%	-1.1%	-14.5%	1.8%	8.1%
International Equity Options:						
Mellon International Stock Index Fund	n/a	-12.4%	-18.8%	-29.2%	1.8%	9.5%
Brandes International Equity Fund	BIIEIX	-8.8%	-11.8%	-23.4%	2.9%	11.3%
MSCI EAFE net dividends		-14.5%	-20.6%	-30.5%	1.1%	9.7%
MSCI EAFE Free		-14.4%	-20.5%	-30.1%	1.6%	10.2%
Fixed Income Options:						
SEI Stable Value Fund	n/a	0.3%	0.9%	4.0%	4.2%	4.1%
ML 91-day T-bills + 0.50%		0.8%	1.1%	3.4%	4.7%	3.8%
Dodge and Cox Fixed Income Fund	DODIX	-3.8%	-3.8%	-2.3%	2.3%	2.6%
Mellon Aggregate Bond Index Fund	n/a	-1.3%	-0.4%	3.7%	4.1%	3.8%
Lehman Aggregate		-1.3%	-0.5%	3.7%	4.2%	3.8%

* Mutual Fund performance reported by Morningstar; SEI from Manager; all others per custodian; Mutual funds are identified with corresponding tickers

+ Vanguard Growth & Income Admiral Shares (VGIAX) performance begins as of 8/01/03; all previous periods are based on performance of Vanguard Growth & Income Investor Shares (VQNPX)

++ T. Rowe Price Small Cap Stock Fund (OTCFX) performance begins as of 8/01/03; all previous periods are based on performance of ING Small Company Fund (AESGX)

+++ Mellon Wilshire 4500 Stock Index Fund performance begins as of 10/12/07; all previous periods are based on performance of Dreyfus Premier Midcap Stock R Fund (DDMRX)

++++ Calvert Socially Responsible Sudan-Free Fund performance begins as of 10/12/07

Comments

During the month, the Mellon International Stock Index Fund, Brandes International Equity Fund, and SEI Stable Value Funds were the only plan options to outperform their respective benchmarks by 50 basis points or more; the Calvert SRI Sudan-Free Fund and the Dodge and Cox Fixed Income Fund underperformed their benchmarks; while all other plan options were in line with their benchmark returns. The PERSI Total Return Fund continues to be the most widely used Choice Plan option, with approximately 81% of plan participants invested in that option.

Asset Allocation **

	Month-end <u>Mkt Value</u>	Alloc by <u>Fund</u>	Alloc by <u>Asset Class</u>
Balanced Options:			80.8 %
PERSI Total Return Fund	\$ 234,784,782	80.7 %	
Calvert SRI Sudan Free Fund	\$ 254,404	0.1 %	
Domestic Equity Options:			7.8 %
Mellon Wilshire 5000 Stock Index Fund (Wil 5000)	\$ 1,763,584	0.6 %	
Mellon S&P 500 Stock Index Fund (S&P 500)	\$ 5,826,430	2.0 %	
Vanguard Growth & Income Fund (S&P 500)	\$ 6,781,163	2.3 %	
Mellon Wilshire 4500 Index Fund (Wilshire 4500)	\$ 2,921,122	1.0 %	
T. Rowe Price Small Cap Stock Fund (RU 2000)	\$ 5,329,353	1.8 %	
International Equity Options:			3.6 %
Mellon International Stock Index Fund (MSCI EAFE)	\$ 2,693,307	0.9 %	
Brandes International Equity Fund (MSCI EAFE)	\$ 7,791,707	2.7 %	
Fixed Income Options:			6.8 %
SEI Stable Value Fund (Leh Gov Inter)	\$ 13,310,488	4.6 %	
Dodge and Cox Fixed Income Fund (Leh Aggregate)	\$ 4,122,489	1.4 %	
Mellon Aggregate Bond Index Fund (Leh Aggregate)	\$ 2,292,793	0.8 %	
Other:			
Loans	\$ 2,976,562	1.0 %	1.0 %
Total DC Plan	\$ 290,848,183	100.0 %	100.0 %

